

THE CHINA
WEEKLY

REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

January 8, 1949

POLITICAL FRONT ACTIVE

AN EDITORIAL

China's Peasant Revolutions

C. C. Lin

ECA Conundrum

Thomas Barnes

Removal Of Industrial Assets

Walter C. Reynolds

ENEMY PROPERTY SALES

AN EDITORIAL



力得固

袖領膠橡

Sole Distributors:



THE CHINA MERCANTILE CO., LTD.

97 Yuen Ming Yuen Road

Tel. 13312

LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Additional Fees?

To The Editor:

Although we have not yet finished the school term, there is a rumor that our college will either collect additional fees for maintenance from students who paid a burdensome sum of money at the beginning of the year or bring the term to a premature conclusion. It is reported that many other schools in Shanghai, including primary schools, high schools and colleges, may act in the same manner.

In my opinion, it is altogether fitting and proper for the wealthier students of pay an additional sum voluntarily and directly to their teachers as a means of sympathizing with their miserable conditions. But this payment should not be made compulsory for the poorer students whose parents have hardly enough money to educate them at all.

It is the teachers, whose salaries are fixed and who are paid monthly, who have suffered the most due to the inflation of the GY. The schools have no reason to complain, especially those private schools which have collected enormous sums of money. After the additional payment is made, the schools should continue as usual.

I am sure that many a schoolmate will back my opinion. We are greatly surprised that the authorities have permitted the schools to make such unreasonable demands.

A Student of Utopia University
Shanghai
November 24, 1948

China's Teachers

To The Editor:

Having been a teacher in many local schools during the past decade, I cannot help but express my opinion concerning the reported additional school fees being advocated by local school principals. No sensible persons can understand these principals and not even the insensate and so-called educated should have the nerve to open their mouths in proposing such unreasonable terms.

Parents paid their children's school fees at the beginning of the term in full when the price of rice was GY20 per picul, the amount of which was equivalent to the same rate which was charged prior to the war. Even then, most parents had much difficulty in balancing their family budget and complained that the fees were too high as most salaried men do not receive an income equivalent to their prewar level. Now it is the middle of the terms and parents are called on to pay additional fees of 200 percent to 400 percent, which is equivalent to from GY200 to GY400.

It is a pity that some newly engaged teachers have not received their first monthly payment while others have received only two months' salary, according to the original agreement on a GY basis. Lately, the price of rice has gone up from 20 to 30 times in the local market.

Parents paid in full, principals of schools received the full value, while teachers do not get what they deserve. What is wrong? Who are the blood suckers? Let our worthy principals give

THE CHINA WEEKLY REVIEW

J. B. Powell

(Editor & Publisher, 1918-1947)

John W. Powell, Editor & Publisher

J. R. Kaim, Financial Editor

Sam J. Wilde, Advertising Manager

Assistant Editors

Mary Barrett
Julian Schuman
Elizabeth Purcell
Yang Chen-fang
Joan Faulkner

Contributing Editors

Fang Fuan
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rolrbrough
Ben Y. Lee
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart
F. K. Chao, Business Manager

Correspondents

Jefferson Cath — Canton
Van Shih-ching — Chengchow
Tong Chun-cho — Chengtu
Chen Fu-sheng — Foochow
Mark M. Lu — Nanking
Galahad Wood — Kunming
Joseph I. C. Luan — Shantung
Lauw Thian-hok — Batavia
Harin Shah — Bombay
C. Y. Hsieh — London
Joseph P. Lyford — New York
Jacques Decaux — Paris
S. E. Shifrin — Seattle
Ngiam Tong Fatt — Singapore
Hugh Deane — Tokyo
Chen Pang-cheng, Circulation Manager

Index for January 8, 1949

Editorial Paragraphs

Political Front Active	133
Enemy Property Sales	135
Marshall Plan For Asia	136

Special Articles

ECA Conundrum	Thomas Barnes	137
Removal Of Industrial Assets	Walter C. Reynolds	138
Failure Of A Progressive	David Yu	139
Malayan Unionism's Death	Andrew Roth	140
The New For Educational Reform	H. C. Huang	142
China's Peasant Revolutions	C. C. Lin	144
Letter From Shensi	Lu Jin-sheng	145

Economic Section

The Week's Business	146
---------------------	-----

Departments

Letters From The People	127
25 Years Ago	136
News Of The Week	147
The Review's English Lesson LXV	149
Chinese Magazine Roundup	150
US Magazine Roundup	151
What Chinese Papers Say	152
What US Papers Say	153
New Books Of Interest	154

Subscription Rates

	3 months
Shanghai and China Outports	GY 180.00
China Outports (Air Mail)	GY 275.00
Hongkong and Macao	GY 260.00
Hongkong and Macao (Air Mail)	GY 360.00
	6 months 1 year
U.S.A. and other Foreign Countries	US\$5.00 US\$9.00

Price per copy: GY 15.

STUDENT RATES

	3 months
Shanghai and China Outports	GY 145.00
China Outports (Air Mail)	GY 242.00

(All subscriptions must be authenticated by the individual student's school and must be sent directly to the offices of the China Weekly Review.)

All mail rates are subject to change in accordance with postal changes.

Cable Address: "Reviewing" Shanghai

Telephone: 14772

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI (O), CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review are copyrighted under certificate of registration 警 No. 9953 issued by the Ministry of Interior. Registered with Ministry of Interior of the National Government of the Republic of China, under certificate for newspapers No. 京警登 250.

CONNELL BROS. CO., LTD.

— Established 1898 —

Importers & Exporters

149 Szechuen Road, Shanghai (O)

Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

New York

Bombay

Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.

Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.

Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)

Manila, Cebu and Iloilo



"The leading Engineering Journal in China"

December

NOW ON SALE

Price per copy: GY15.00

Contents:

The Engineer's Outlook in China
The Progress of Brown Boveri Gas Turbine Development
On Ship Construction
Rayon—Modern Successor to Silk
Production Processes of Rarer Wools
Yangtzepoo Vehicular Ferry
Helicopter Developments

Civil Aviation
Textile Supplement
Transport Notes

The Students' Corner
Chinese Section
Exhibition News

Obtainable at:

A.B.C. News Company 391 Szechuen Road, (C)
Chinese-American Publishing Co. . . 160 Nanking Road, (E)
Kelly & Walsh Limited 66 Nanking Road, (E)

or directly from the Publishers

THE FAR EASTERN ENGINEER

117 Hongkong Road

us their views. So far no sound reasons have been advanced.

It is quite clear that the fault lies with the principals who run their educational institutions as business concerns. They think of everything in terms of profit instead of educating youth. They think parents are buyers, teachers sellers and themselves proprietors.

The whole trouble is that individual teachers have no united voice in protest against the behavior of these educated tyrants. There is no teachers' association which is strong enough to enforce any resolution adopted. Any individual teacher who is bold enough to do something that may be harmful to the interests of his "master" is liable to be discharged from the institution in which he is engaged. Everybody is in sympathy with the poor teachers. Should parents be so generous as to give an additional fee, these educated tyrants, not the poor teachers, will reap the harvest. In the end, the teachers may get a fraction of the additional payments.

Those who love China should try to alleviate the suffering of her teachers who really are the builders of a future China. Down with the educated traitors. Down with the commercialized schools.

LEE YEE-YUAN

Shanghai

December 5, 1948

Peace Talks

To The Editor:

Now, while China is confronted with an unprecedented crisis and America is in a dilemma as to China policy, I wish to offer my opinion on this subject.

For the benefit of the Chinese *lao p'ai* as well as the United States herself, we pin no hope on increased and continued military US aid to the Nationalist Government which, as in the past, only inflicted heavy casualties on our lives and property and simultaneously wasted US funds with nothing in return. It seems unlikely that the US will either volunteer to give up all her invested capital in China by way of complete evacuation or convert her traditional pro-Nationalist policy into one of compromise with the Chinese Communists. Then what will she do?

We Chinese citizens need peace and we are disgusted with war just as all US citizens would be. As the internecine conflict in our nation is being carried on endlessly, the sacrifices and damages of our nation as a whole are innumerable no matter which side wins. Therefore, we here make a humble petition to Americans that the US for the mercy of God and her future interests in the Orient, should take an effective step to conclude the Civil War by resuming peace talks between the two fighting factions to establish a democratic coalition government including all parties and liberals. We know from General Marshall's experience three years ago that this is not an easy task. However, it will deserve the stout support of all peace-loving people in our country. In order to facilitate this work, I suggest that those friendly nations including Great Britain, the USSR, and France, who have close relations with China, be invited to participate in the task of reconciliation if the situation is necessary. The China problem is said to be the probable source of World War III. We hope that China, through the help of friendly nations, may be the bridge of the international rift instead of being the powder magazine of international war.

Time is urgent. US authorities should hesitate no longer.

P. C. CHANG

Kiangsu

December 15, 1948

Sooner The Better

To The Editor:

Only a little more than three years ago our nation was united in throwing off the yoke of Nipponism. Today, suffering reigns supreme merely because of the evil lust of one of two people on a high level for personal power.

Today, the Communists are at the gates of both the modern and ancient capitals. We are not clear how the Communists will tackle problems but the news of their coming is welcome news as far as youth is concerned. Any kind of government, coalition or communist or any other, if it will act as a government is supposed to act—for the people—will surely be hundred times better than what we have at present. It is no longer a secret that the KMT has lost the support of all the people, on every level, high or low.

The normal state of affairs in a nation is peace, and the sooner peace is concluded the better for all concerned.

H. C. Y.

Shanghai
December 20, 1948

China Mess

To The Editor:

After being in Hongkong three months studying Chinese condition at close range, I sincerely believe that the following formula will disentangle the China mess:

(1) Introduce the British Empire System into China so that various important parts of the country can have an independent self governing dominion status.

(2) Let Manchuria be a dominion state under the Communists; North China, another dominion state under a Coalition Government formed by both non-Communists and Communists to be headed preferably by people like Madame Sun Yat-sen; South China or provinces south of the Yangtze, the third dominion state, consisting of self governing provinces federated after the pattern of the United States to be under a Coalition Government of all political parties that do not subscribe to the Communist ideology. Li Tsung-jen might be the temporary head of the southern provinces, for he still has prestige and influence and potential power there. North China will consist of all provinces between Manchuria and the Yangtze and will become the buffer state between those of the Communists and the non-Communists or liberals.

(3) Resignation of Chiang Kai-shek for he has no prestige and has lost the support of the Chinese people. Besides, he is the major objective of the Civil War from the viewpoint of the Communists. If he disappears from the scene, that important battle cry of the Communists will be gone.

(4) Mediation by the United Nations, as recommended by Wedemeyer to the G'mo during his last visit to China, for arranging a peace in China. Such a mediation will put Russia on the spot for she has to declare her official attitude towards mediation. If she supports mediation, then the China case is simplified and a truce could be the result. If she is against mediation, then the public opinion of the West has to decide either to write off China or to give full aid to China. The above formula will also help Washington to work out a constructive program in China to help the southern provinces to organize themselves into individual political, economic and military units to resist Communist invasions.

Thinking people should discuss the China situation positively and constructively. The present ostrich attitude of the leaders of the community in Shang-

hai is a disastrous one for all parties concerned. Don't let the blind, the discredited, Chinese politicians lead or else there will be a debacle. So much is at stake that all conscientious persons should speak out courageously.

J. K. CHOY

Hongkong
December 12, 1948

Whither Students

To The Editor:

You are my good teacher. You not only give me more knowledge of modern times but also guide me in a direction upon which I may doubtlessly rely. I have read your *Review* without interval for upward of three years. I think that no English weekly in our country is better fitted for Chinese students than the *Review*. Therefore, it is my hope that you will write an editorial entitled, "Whither shall the Chinese students go" in the next issue.

At this critical time, all people—especially Chinese students—are disturbed by the military and economic crisis. Although the school authorities prevail on us not to pay too much notice to it, only two or three schoolmates are in our classroom when the teacher arrives. I do not know where the rest of the class go or what they are up to. At times, a few schoolmates tell me a military or economic rumor which suddenly puts me at a loss in spite of my determination to occupy myself with other problems.

On the whole, there has been a kind of abnormal psychology in our minds. Can you help us to get rid of it?

CHEN YUAN SIEH

Soochow
December 12, 1948

Student Class

To The Editor:

As a college student of the preesent age, it would not be altogether out of place for me to say something about students.

Generally, we students are regarded by the public as "innocent," "righteous" and "full of sentiment." To me that is at most unintelligible. I might not have seen the dark side of the superficially sacred college students had I not passed the difficult entrance examinations of this university. It was with a nasty shock that I began to know many facts contrary to my original ideas. But in looking into any newspaper or magazine, high praise and genuine sympathy for any action staged by students is to be found. Why? I have finally come to the conclusion that those who have sympathy for students are wrongly considered by the general public as "democratic" or "onward."

We students grumble at the corruption of the Government, but enthusiastically engage ourselves in corruption during examinations. At this university, about one day before any examination, all the seats, which are regularly arranged on ordinary days, are put closely together in the back of the class-room. Hundreds of chairs form a massive block so that no supervising professor may pass through them. On the arm of each chair is pasted a small piece of white paper upon which the temporary owner writes down his name and school number in deep ink. That is a short cut to gaining credits in our university. Of course I am not fully aware of what goes on inside other universities, but I wonder if conditions are much better.

We obey the law when it is good for us, and completely neglect it if to obey

Shanghai's American Daily-- more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

REVISED MONTHLY SUBSCRIPTION RATES

Effective December 1, 1948

(Subject To Increase)

Local home delivery	GY200.00
Pick up your own paper	180.00
China Outports (Ordinary mail)	202 00
China Outports (Air mail)	GY225.0 to GY280.00
(Based on various districts)	
Single Copy	GY10.00

The Shanghai Evening Post & Mercury

19 Chung Cheng Road, Shanghai (13).

means a sacrifice. For instance, in spite of the Economic Stringency Measures recently promulgated by the Government, many posters have appeared on the noticeboard publicly asking for the purchase of "Yuan Tai Tao" and US dollars at a price a little higher than the official rate.

We have the privilege of exemption from conscription, and this was so even during the sacred war of resistance. We students, Chinese students, really form a special class, which is above the *lao pai hsing* class, against the gun-possessor class.

Presumably, I will be accused of being rebellious for revealing such a secret, but as the phrase goes, "Facts speak louder than words." I will keep silent against any challenge or attack evoked by this letter.

C. H. WANG.

Nanking
December 12, 1948

Seek Red Favor

To The Editor:

Radar, the weekly organ of the Kuomintang Headquarters for Macao and Hongkong, in its December 20, 1948 issue reports that Hongkong's "medical journalist" (known as the Generalissimo's most loyal supporter ever since his pardon for his pilgrimage to the Mikado) has called on the delegate of the Communist Party in the Colony. This "medical journalist" said that he made this courtesy call in order to obtain further information on the land law.

In reality, *Radar* says, this "medical journalist" was afraid that the Reds might purge him immediately after they came into power, for the Bolshevik papers have been consistently accusing him of collaborating with the Japanese Kempeitai. During the Japanese occupation this "medical journalist" was one of the very few who had a motor car and chickens for chow every day. He was in control of Hongkong's rice and was given every opportunity to carry on propaganda for the Great East Asiatic Co-prosperity sphere in all Japanese occupied territories.

After the enemy surrender he was photographed together with the Generalissimo and Chen Kuo-fu. He published an autobiographic sketch in which he said that he had been a very anti-Japanese leader. All Kuomintang papers praised him as a patriot!

But the Communists and leftists continued to expose the traitorous activities of these "bigshots" under the Japanese. The Generalissimo's eulogy of these men did not enhance their prestige much in the eyes of Hongkongites who knew these luminaries too well.

And the Communists never failed to speak the truth about these people. Now this "medical journalist," according to *Radar*, wants to curry the favor of the Reds so that he can still be a medical king under the Reds.

But the Communists' delegate, says *Radar*, gave the "medical journalist" a cold reception and told this "infallible" person not to call any more, after turning down his invitation to tiffin.

Communist publicity now warns that these opportunists should not think that the Bolsheviks are like the Kuomintang's ruling clique who would double-cross their own comrades after the revolutionary cause has been achieved. The Reds, however, insist that those who turn over to the Reds wholeheartedly now can still be saved.

Whether or not Stalin's liquidations of Bukharin and Trotsky were acts of double-crossing, we do not want to argue.

Our question is: "Will this medical journalist, Isokai's opium head and school mate, and persons of like calibre be as big and important under the Reds

if they volte face against the Generalissimo?"

The rejection by the Red delegate of any deal with this "medical journalist" shows that the Bolsheviks really know and follow the Chinese masses. If the Generalissimo and his entourage had taken this attitude over the past years, he would not have to be appealing for American aid today. And the Communists would not have been so powerful as they are today.

W. C. K.

Kowloon, Hongkong
December 20, 1948

Small Notes

To The Editor:

Since the introduction of currency conversion, the public, here as elsewhere, has been suffering from shortage of small notes for change purposes. In recent days, this difficulty has assumed a far more serious proportion in view of the fact that even GY1 notes have practically disappeared from circulation. Although the local branches of national banks are reported to have issued a considerable amount of small notes, yet the public has had to labor under shortages of these notes as before. Pedlars and retailers probably are the most hard-hit. When a patron intends to buy one or two dollars' worth of goods and produces a \$5 note, it is often the case that the prospective bargain has to be cancelled simply because the trader does not get sufficient small notes for change if any at all.

While one explanation for this acute shortage of small notes is that a good many people have been vying with each other to store up small notes for the Chinese New Year to be used as good-luck money, I am inclined to believe that the cause lies in the inflation of the Gold Yuan as there seem to have been more \$5 than \$1 notes issued. Whatever the cause may be, the Government has proved to be at its wits' end in face of the said chaotic condition. On the other hand, the people, to ease this most annoying situation, have recently issued through their various trade unions, a sort of note in lieu of the required small GY notes. Thus, the marketing activities have been substantially facilitated. For all the objections raised against this measure of issuing substitute notes from a legal point of view, I cannot but admire the wisdom of the people who, more often than not, prove capable of solving their own difficulties though without their government's assistance.

JOHN HSU

Sinhui, Kwangtung
December 23, 1948

Advice Sought

To The Editor:

In times of national crisis, we citizens should freely express our opinions concerning ways and means of protecting our life and property. I therefore hope some of your worthy readers will give us some practical methods and suggestions toward our welfare in this metropolis.

A few weeks ago, when the Communists were attacking Hsuechow, the exodus of aristocrats, bureaucrats, unscrupulous war profiteers and rich merchants southward was in great numbers. Most of Shanghai's citizens remained unmoved.

At present the atmosphere here seems calmer, not because the political situation is better, but because those who are still here either intend to brave it or are without means to go to Hongkong, Taiwan and other places for safety.

We are here to weather any expectant emergency arising from the Communist

advance. As this metropolis has more tangible property, more technicians, more scholars, more large concerns, factories, etc., than any other city of China, destruction to any line of economic activities, even in part, will hamper China's economic progress in the next generation.

It is fitting that everyone living in this metropolis should contribute his share toward the protection of life and property during a crisis. Suggestions should be given with reservation. Foreign nationals should take a part in this discussion.

First, let some one suggest how and to what extent a volunteer system should be inaugurated. Should paochia undertake this job?

Second, are we ready to request both warring parties to declare this an open city? It should be recalled that during the Sino-Japanese fighting in Shanghai, a part of Nantao was declared a "safety zone" thus saving many civilians from being killed.

Third, how should the utility companies be protected?

Fourth, can we get a guarantee from the Nationalist Army that this city will not be bombed?

Should this list be incomplete, I wish some worthy readers will discuss this in further detail.

LEE YEE-YUAN

Shanghai
December 28, 1948

Red Caps

To The Editor:

Since the end of the Sino-Japanese war, the only effective magic that the authorities have been able to use in controlling the thoughts and conduct of good citizens, is the Red Cap. It is quite valid. If you say something against the Government or the KMT, you will undoubtedly be considered a Communist bandit or some other such name, and receive much attention from the authorities. You might even be put in prison and tried by the Special Court.

This is how the people have been dispossessed of their liberty to speak and write as they will, although the right to do so is expressed in the Constitution.

Of course, most of the people who are struggling for existence care nothing about this so-called "liberty." But the intellectuals, the learned class and the majority of students do. They are dissatisfied with the corruption and inefficiency of the Government and hate the full-scale Civil War which is being fought between the KMT and the CP without gloves. But unfortunately, any patriotic acts on their part would only bring the dreaded Red Cap on their heads. For fear of this, the only thing they can do is to go on suffering and keeping their silence. But how can they keep silent any longer.

The most terrible things happen to students, for they do not know the world as well as their elders do, and in the simplicity of their minds and passion for their country, they write what they see and think not knowing that it is considered criminal to do so.

Consequently, some of them are caught by the Special Court while others cannot help but escape into the "liberated areas." This is why the Special Court was pronounced full of prisoners, and why Communism becomes more popular in the student's mind.

In my opinion, this is the fruit of the effective magic... Red Cap. If the KMT really wants to live on, let it permit the people to speak and write what they think, for that is what they want and it is an important thing.

BUTCHER CHA

Shouyang, Hunan
December 11, 1948

Picture Correct

To The Editor:

The picture you ran in your "Letters From The People" columns on December 18 was in fact a picture of General K'ang T'ze, well-known Kuomintang military figure captured by the Communists some time ago.

As the writer of the letter said, it had been reported that General K'ang was killed by the Communists after his capture. The picture proves that he was not killed immediately, as was previously reported. In fact it is said that he has broadcast some messages to his former comrades-in-arms over the Communist radio. However, his present condition or whereabouts are unknown.

General K'ang, your readers might be interested in knowing, rose to prominence during the war with Japan as an underground leader. He was closely connected with the American-Chinese organization known as SACO. He is about 45 years old and is a native of Szechuen. He was captured at Lao Hou K'ou about March 30 of last year.

ANOTHER READER.

Chungking, Szechuen
December 31, 1948

Corrections

To The Editor:

Please correct the sentence, "Now postal employees coming from Mukden say..." to "Now postal employees coming from Tsinan say..." in my article, "How the Communists Run the Post Office." (Review, January 1, 1949.)

In the same article under the sub-title, "Employees Praised," after the sentence "Among them, it is reported, are Mr. Chu Hsueh-fan, former union leader of..." the words "China, and now Assistant Director of the Communist China Labor Union" were left out and should be inserted.

JAMES C. RIP

Shanghai
January 1, 1949

Bandit-Makers

To The Editor:

On the first of December, great surprise was caused when top-ranking officials, including Mayor Wu; Pan Kung-chan, City Council chief; Fang Chih, KMT head; and Tu Yueh-sen, invited 20 famous Shanghai movie actresses to a banquet. These gentlemen had not been known to consort with movie actresses; but the latter discovered that they were to be asked to form a "consolation team" for CAF fliers.

The actresses decided that their artistic duties did not include the "consolation" of pilots, they were busy anyway, and they remembered the Hankow rape case of last summer. None of them turned up for the banquet. The officials were very angry.

So, on December 22, another conference was held in Shanghai, which this time included Loo Shao-lien, General Manager of the Central Motion Picture Corporation. Fang Chih grew very angry at the refusal of the actresses, and shouted, "Who do they think they are? The KMT is still the boss of Shanghai, and if they refuse again, it will go hard with them!" Pan Kung-chan accused Mr. Loo of inefficiency, and told him that he'd have to produce the actresses the next time, or else.

It was decided to send police cars very early in the morning to round up the actresses and take them to the airfield to be flown to Nanking as "voluntary" comforters for the CAF.

Late the same night, thirty or more actresses and actors were notified of the trip, by movie company executives. Some

were very enthusiastic and persuasive, like Loo Shao-lien and Hsu Soo-lin, of the Central Motion Picture Corporation. In some cases, notice was given by a detachment of gendarmerie, who treated the actresses as common prostitutes.

The movie stars were thrown into a panic by the news. They keenly resented such treatment, but they were powerless to refuse to go. At best, they could hide or plead illness, which the majority successfully did. The result was that only a few were actually taken to Nanking.

But this second defeat has angered still more the powers that be; at future

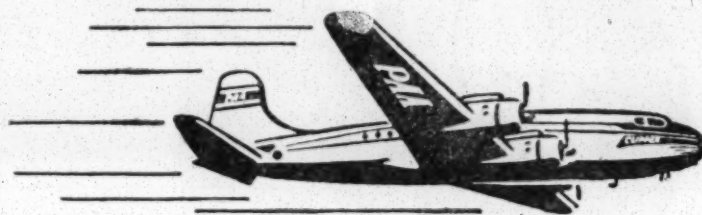
festivals, they will attempt the same kind of plan again.

The writer firmly believes that these movie stars should not be forced to take such an undignified role in "politics." It seems as if our rulers were trying to destroy the confidence of the people in all walks of life, thus forcing them to take no other course but to join the ranks of the "bandits." In this way, the authorities instead of defeating the "bandits," or being really "bandit-breakers," are in truth "bandit-makers."

AURELIUS.

Shanghai
December 30, 1948

SAVE BY SPEEDY CLIPPER CARGO



Take advantage
of these
new low rates
to the U. S. on
100 lbs.
or more...

TO	RATE PER LB.
CHICAGO	\$2.00
CLEVELAND	2.02
DETROIT	2.01
NEW YORK	2.05
PITTSBURGH	2.03
PORTLAND	1.88
SEATTLE	1.88

BIG SAVINGS ON OTHER WEIGHTS
AND CERTAIN COMMODITIES, TOO

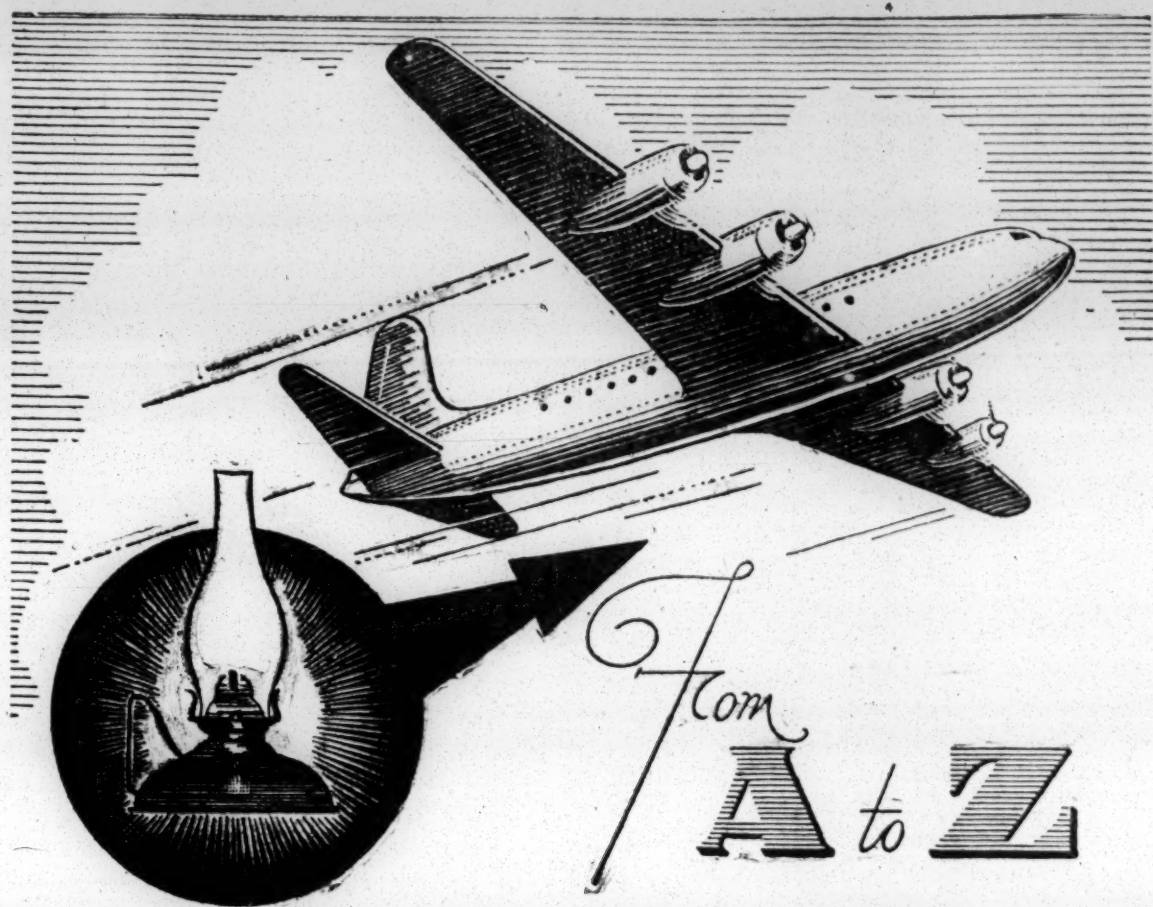
● CLIPPER CARGO covers your shipment to anywhere in the U.S.—on one Air Waybill. Cuts paper work... eliminates separate insurance documents. Let us show you how to reduce shipping weights and packing costs, too. There are many more advantages in using the world's most experienced airline. Get the facts from your Clipper Cargo Agent or...

Genl. Agts., CNAC—Cathay Hotel
Shanghai • Phones 15757, 19229

PAN AMERICAN WORLD AIRWAYS

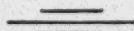


Clipper, Trade Mark, Pan American Airways, Inc.



FROM THE FARMER'S HOME TO
THE AIRLANES OF
CHINA AND ABROAD

STANDARD-VACUUM
SERVES THE PEOPLE!



STANDARD-VACUUM OIL COMPANY

THE CHINA WEEKLY REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 112 Shanghai, Saturday, January 8, 1948 No. 6

Political Front Active

DURING the past two weeks more and more attention has been paid to the political front, as opposed to the military front, by the contending parties in China's Civil War. Ever since Sun Fo began attempts to form his new government, variously called a "war" cabinet and a "peace" cabinet, speculation regarding peace movements has been rife. It has only been within the last 10 days or two weeks, though, that one could attempt to speculate upon the design which lies behind all the peace and counter-peace rumors which have flooded Shanghai.

The Nationalists, who obviously have been on the short end of the stick militarily for the past few months, have been viewing the future with increasing distaste and, presumably, have been looking for an alternative to their unsuccessful peace through military victory formula. The views of the Communists are a bit more difficult to determine, although it would appear at this time that they are interested in peace only through surrender by the Kuomintang.

The views of the people are well known. Everybody in the country, except of course for the few groups of interested partisans who stand to gain or lose greatly in the present conflict, yearns for immediate peace. The farmer, worker, merchant, industrialist, and financier are interested only in stopping the Civil War. In fact, some sections of the population are reported to be completely indifferent to the outcome, so long as there can be peace.

Such a psychological situation, in many ways, greatly favors the Nationalists because they, too, want peace if they can get it without losing their necks. Any party which made the first move toward ending the fighting would automatically receive a vote of thanks from a large section of the population. The National Government, however, hesitated to come right out and say it wanted peace. For two weeks it allowed highly placed Kuomintang and Government members to hint anonymously to the press that the Government might be interested in peace. However, such hints were followed by official denials. This type of backward and forward marching, it seems to

us, was not so much the product of confusion within the Government itself as it was a method of letting the people, the world and the Communists know that the Government was interested in peace, without running the dangers inherent in a frank appeal for peace.

If the Government had flatly asked for peace, the first reaction probably would have been a refusal to fight on the part of Nationalist troops. Troops always try to avoid conflict when an end of hostilities is imminent. Also, such an appeal, completely out of harmony with usual Chinese bargaining procedures, would have given the Communists an advantage in any talks which might ensue.

However clever such strategy may have been in keeping up Nationalist troop morale and in preserving as good a bargaining position as possible for the Government, it also gave the Communists a chance to launch their political offensive. The Communists obviously will not be satisfied with a peace which does not leave them in substantial control of China, nor will they be interested in long-drawn-out peace talks which will give the Kuomintang a breathing spell to reorganize its forces for continued fighting later. The Communist forces are doing very well militarily and have a lot of momentum. They naturally will not wish to halt their advance, which has not been stalled by all the military efforts the Nationalists have been able to exert, unless they feel that the loss of momentum will be offset by greater gains. If they felt that the KMT might surrender peacefully or at least accept peace terms which would give them (the Communists) a dominant position, they might consider an armistice. Or, if they felt that the job of crossing the Yangtze might be too difficult, or if they thought that vast American aid was coming, the Communists might be willing to attempt to make a political settlement.

At the time of writing, it is not clear just what the Communist reaction to these peace feelers is. Communist actions appear too conflicting at the moment for analysis. First, the Communists launched their political "counteroffensive" by broadcasting a list of war criminals, consisting for the most part of top Kuomintang leaders, the very men who have been sending out the peace rumors. The issuance of such a list at this juncture, when the Nationalists have given evidence of at least being interested in peace talks, would seem to constitute a negative answer from the Reds. At least it saves the Reds from being put in the unenviable position of refusing to talk peace. Many observers saw this action as an indication that the Communists were quite satisfied with the way things were progressing militarily and were therefore not interested in peace talks at this time.

However, there is another Communist move which must be considered. From all accounts, Red military pressure on the Nanking front has been relaxed during the past two weeks. While we have no way of knowing the exact reason for this, there are several possibilities. One is that this is a silent indication to the Nationalists that

the Communists are willing to listen to more peace talks. Another explanation is that the Reds themselves are finding the military effort a strain and are waiting for more men and supplies from Manchuria and North China. Still another possibility is that the Communists are up to another fast move strategically and are in the process of shifting men in preparation for opening a new front, say, at Hankow.

While it is impossible to say with any certainty just what the Communist stand on a negotiated peace is right now, most observers to whom we have talked believe that the Communists are not ready to begin bargaining. The Communists, it is reasoned, do not think that Nanking's military plight has become desperate enough yet for the Nationalists to be really willing to sue for peace. Therefore, the Communists see no reason for initiating talks or even allowing themselves to be "approached" at this point. Such a theory fits in well with the supposed motives of the Reds in broadcasting their blacklist.

* * *

WHATEVER the reasoning on the Communist side may be, it is possible for an observer in Shanghai to follow with a certain amount of intelligence the developments on this side.

The first move of the Nationalists, as we have already pointed out, was to initiate peace feelers in the form of rumors which would carry the peace message but which would not involve any undue loss of face if met with rebuff from the Communists. The next move was the Generalissimo's New Year's statement in which he presumably offered to resign if that would bring peace to China. While there seems to be some disagreement over the English translation of what the G'mo said, he did make what for him was a very moderate speech. Sun Fo has now echoed the Generalissimo's words. In all, Nanking seems to be working harder than ever in getting out statements, press interviews, rumors, and other reports aimed at establishing in the people's minds the fact that the Government is willing to talk peace.

The unfolding of this propaganda campaign—for that is what it is—can be seen each day in the papers. The story runs thusly: The Government, which has always wanted peace and which once tried to make peace with the Communists, is now willing to overlook the past sins of the Communist bandits and again initiate peace talks. Such a move is a great sacrifice upon the part of the Government because it is most reluctant even to talk to the bandits, but the country needs peace and the Government is willing to put the needs of the country above its own partisan interests.

The Generalissimo himself joined the campaign. According to a *Reuter* dispatch from Nanking, the G'mo told a gathering in Nanking that the Government must win the war on the battlefield. The Government favored peace, the *Reuter* story continued, but not because it was weak. The Generalissimo then went on to say that if the Communists ignored the people's

will and attacked the Nanking-Shanghai area, he was still confident that the Government could handle the situation militarily. This speech, as reported, was in conformity with the seeming double talk coming out of Nanking. It was at once and the same time the enunciation of a firm determination to fight to the end and an appeal for peace.

An editorial in the January 3 issue of the *China Press* significantly reflected Nanking's political offensive. It commended the Generalissimo upon his New Year's message in which he offered to resign if peace could be secured. It then went on to list the Generalissimo's terms which, as they now stand, could hardly be acceptable to the Communists. However, the *China Press* considered them quite reasonable, saying: "The President's insistence on keeping the newly created constitution intact and having the people's freedom assured in the peace negotiations should receive approval from everyone. No Chinese can accept a peace which does not give the liberty for which the nation has fought for the last 40 years."

"Chiang Kai-shek has given his word. The decision of war or peace now rests with the Communists. If the objective of the Communists is also for the welfare of the people, then there should be nothing in the way to peace discussions."

"If the Communists reject Chiang's statement, it is then obvious that they were not fighting for the interests of the people."

Among other things, the *China Press* seems to have overlooked the fact that the "newly created constitution" is already a dead letter, having been superseded by the declaration of national emergency which invalidates most guarantees supposedly given in the constitution such as press freedom, freedom of assembly, etc. To be perfectly candid, the constitution, during its entire life span of slightly more than two years, has been largely a paper document, pretty to look at but of not much practical value.

The *North China Daily News* seems to have espoused the current campaign, also placing the burden of decision for war or peace upon the Communists, pointing out that "in the light of past experience" there is not much chance for the Government's peace offensive because the Communists didn't want peace two years ago and, since they are much stronger now than they were then, they probably won't want peace today.

* * *

IT SEEMS to us that there are a few points which must not be overlooked, even though we be deluged with peace offers, denunciations and various other sorts of reading material from the contending parties. Two years ago General Marshall's mediation efforts failed because the Communists and the Kuomintang could not reach agreement. Each was suspicious of the other and attributed all sorts of evil plots to the other. Rather than give in, they went to war. Today the same parties are facing each other. What's more, the same men, by and large, are in con-

trol of each party. The fighting has not been conclusive, although it is obvious that the Kuomintang is fast losing the war at this point. If the fighting to date had been costly, but inconclusive, there might be a chance for peace talks to be resumed upon the same grounds as two years ago. However, that is not the case. The Communists are a great deal stronger today, while the Kuomintang is a great deal weaker. Therefore, for the Kuomintang to offer the Communists virtually the same peace terms which it offered two years ago, is silly. If the Kuomintang really wants peace, it has got to offer the Communists better terms. Perhaps the Kuomintang intends to do this eventually, but is now merely engaged in sounding out the Communists to see how they feel about peace, thus opening matters with a high asking price so that there is room for later bargaining. This may well be the case, but to assume that the KMT, by a simple reiteration of peace terms rejected two years ago, has placed the burden for continuing the war upon Communist shoulders is simply to fall victim to the Government's propaganda.

Like most other people, we are anxious for peace and would be pleased if it could come quickly and without any more fighting. However, we don't propose to be carried away by vague statements by either party to the effect that peace would be a good idea. Peace may possibly come before long, but by that time a lot of the superficial smoke will have cleared away and observers, such as ourselves, will be better able to judge the merits of each party's offer.

Enemy Property Sales

THE sale of enemy and puppet property was reported at a virtual standstill last week due to lack of buyers. The deteriorating military and political situation was given as a reason for this buyers' strike.

Real estate could not be sold because of the flight of the "super-rich" from the city. Presumably, only those with large amounts of money are able to meet the Government's prices for enemy and puppet land, houses, and other structures. General supplies could not be sold, it was said, because local merchants are not desirous of buying stocks for hoarding because of the political outlook. Diamonds and other jewels have also been a drag on the market and have been moved to Taiwan for safe keeping.

While there is nothing unusual about local market conditions in view of the many uncertainties facing the community, it is surprising that after three years the Government has not yet sold all the enemy and puppet property which it inherited from the Germans and the Japanese and the Chinese puppets at the end of the war. Some of it, naturally, would have been difficult to dispose of under any circumstances, but why highly negotiable articles, such as jewelry, should have been kept until the present time is almost beyond understanding. This is especially true in

view of this regime's frantic search for money during the past three years.

THE only answer, of course, is poor administration, a shortcoming which has characterized this Government for a long time and which is one of the contributing factors to its overall weakness which, in turn, has brought it to its present sorry state.

When we realize fully the tremendous assets which Nanking possessed as of VJ Day or has acquired since then, we become slightly ill. China had an estimated US\$1,000,000,000 in cash, gold or other negotiable securities of her own at the war's end. In addition the United States has supplied materials and money and services variously estimated at from US\$2,000,000,000 to US\$4,000,000,000. How much the actual value of enemy and puppet property originally was, we don't know. However, it must have been rather substantial, especially when one considers that it included all Japanese investments made in this country during the last several decades and all German investments since the end of World War I.

It has been said that the Central Government ended the war with the greatest hard currency reserves of any country in the world except for the United States, and, possibly, the Soviet Union. The Central Government today is about the poorest government still in power and its credit rating is approximately zero. The story of the last three years in this country is certainly one of tragedy. Once again, when it appeared that China was on the threshold of the much-delayed day when all efforts would be devoted to rehabilitation and modernization, China's energies were directed in an entirely different direction.

It is now apparent that some governmental change is in the offing. The Communists may take over, a coalition including the Communists may come to power, or a revamped KMT may grab the reins of government. In any event, the directors of affairs in this country will start out with a public till that is more or less empty. Again, wealth that at least partially represented the mass earnings of the people has been dissipated.

NOW is the time, it seems to us, for an accounting of what assets may be left. Already there are ugly rumors persistently going the rounds, purporting to give details of how this or that official organization's wealth is being siphoned off by prominent individuals who see no place for them in the China of the future and who do not wish to leave their native land without a few reminders (in the form of gold bars or bank accounts abroad) of their days of labor here. One such story, for example, claims that a certain important personage ordered one of the Government's financial organs to grant a mortgage on his house in Nanking. The mortgage, the rumor reports, was for a sum exceeding the construction cost of the house, and was far in excess of the value of a house located in so precarious a spot as Nanking is today.

Some of the post-UNRRA organizations, we understand, are in the process of liquidation. If the legitimate work of such outfits is finished, there is no earthly reason why they should not be abolished. However, the Government should take care to see that any remaining assets are returned to the Government itself and not allowed to end up as the private property of individual bureaucrats. Also the Government should take steps to prevent various personalities from engaging in a last minute milking of the state.

If the Communists come to this part of China, presumably the Central Government will plan to carry on resistance from some other areas, such as South China. If this should be the case, it will be important for the Government to have all possible assets at its command. On the other hand, if some compromise or other solution to the present mess is found, the funds and materials now held by various official agencies should be preserved, since they are in effect the property of the Chinese people.

Because of faulty administration which has made misuse, waste, and outright corruption possible, the Chinese people have lost a lot of money and material. Now is the time to begin an inventory and to take positive steps to insure that what remains is not also lost.

Marshall Plan For Asia?

A FORMER French Finance Minister has been reported to have advocated the establishment of a Marshall Plan for Asia. According to press dispatches from France, Rene Pleven is said to have urged American aid for French Indo-China and other European colonies in Asia.

Pleven is quoted as suggesting: "France should ask the American Government to extend (aid) to Indo-China. . . . The same request would be justified for other countries where the economies, especially in agricultural matters, are several centuries behind world progress and are a permanent incitation for revolutionary elements."

It would almost seem that the writer has lost sight of the fact that France, for example, is more or less primarily responsible for the economic backwardness of Indo-China in that the colony has been made to show a profit during almost every year that the French have been in occupation. If France had in the past been more concerned about backwardness and poverty contributing to the establishment of a breeding ground for "revolutionary elements" and less concerned with economic exploitation designed to enrich the homeland, the situation might not be in its present state.

Anyway, we can take consolation in the view—generally held—that characters like Pleven will only be able to discuss Indo-China's problems in an academic manner before long. The French, more than likely, will go down in history as the first of the colonial powers to be kicked out of Asia by native "revolutionary elements" who have been incited to rebellion by a deliberate policy which encouraged backwardness and poverty.

25 Years Ago in The China Weekly Review

Good Will vs. Gun Boats

January 5, 1924

Dr. Sun during the week under review has made a strong appeal to the British labor leaders in South China regarding his position now at Canton. While the state of affairs can't be described as being anti-foreign in its nature, rumors have been current that an anti-American sentiment was growing in the colony among the native followers of Dr. Sun. The appeal sent to Ramsay Macdonald included the following information:

"Dr. Sun Yat-sen has telegraphed to Mr. Ramsay Macdonald asking him to bring to the notice of the British people, particularly the workers, the grave situation which His Majesty's Representative in China has been mainly instrumental in erecting at Canton. My government is being threatened with acts of war by an international force of nearly a score of cruisers and gun boats: armed soldiers have already landed at Shameen. This is the work of the Diplomatic Body at Peking, at the instance of the British Minister and at the advice of the Senior Consul at Canton, who is His Majesty's Consul General, and the Inspector-General of Customs, who is of British nationality.

"Dr. Sun reminds Mr. Macdonald that China, which is admittedly one of the richest markets for British goods, cannot be secured by the gun boat policy of diplomacy though it can be won by a policy aiming at the capture of Chinese good will."

* * *

Changsha's Telephones

The government telephone administration in Changsha, Hunan province, says the *Economic Bulletin*, is offering to turn the telephone system over to private enterprise. The price asked is \$300,000. At the present time of political disturbance, practically all rich merchants have left Changsha for fear that the militarists might capture and hold them for extortion. Therefore, no party has yet considered the proposal.

10 Years Ago In The China Weekly Review

Shanghai Poor Die of Cold

January 7, 1939

One of Shanghai's oldest scandals, unfailingly commented upon by tourists and visitors, is the fact that hundreds, if not thousands, of Chinese inhabitants are obliged to sleep on the streets at night for want of the price of a bed under shelter. With winter temperatures several degrees below freezing point, the hardships of these poverty-stricken denizens of the streets need no emphasis. Many die of cold and exposure.

There is no valid excuse for such a state of affairs in a city of Shanghai's enormous wealth, and its continuance year after year can only be attributed to callousness or indifference in high places. . . .

* * *

US And Japan

The recent attempt on the part of Japan to obtain more active help from her associates in the anti-Comintern bloc by offering Germany and Italy "slices of the Chinese pie" has not helped the situation from the standpoint of opinion in the United States or Great Britain.

The issue between the two countries is thus well stated. If Japan declines to participate in an international conference for an adjustment of differences between herself and China and between herself and the United States and the other powers, then the alternative is fairly clear. The American people are determined not to resort to war, but they are equally determined not to permit Japan to play fast and loose with American interest. . . .

ECA CONUNDRUM

Thomas Barnes

ONE of the currently discussed—and unanswered—questions in China is whether the Economic Cooperation Administration will continue its operations here in the event that a coalition government comes to power.

It is a question that must be decided in the near future by the United States Government, and already there are signs that the pros and cons are being debated by official American circles both here and in Washington.

ECA Administrator Paul G. Hoffman touched off the subject during his recent visit to Shanghai, when he declared that he personally would recommend continuance of ECA aid regardless of future change in the Chinese Government, providing the basic freedoms were respected and American supervision of supplies was allowed.

Hoffman recalled that Secretary of State George C. Marshall, in proposing the aid program, had declared that it "is directed not against any country or doctrine... (but) its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist."

Hoffman's words were promptly disclaimed by the US Department of State, which hastened to make clear that they represented only his personal thinking, not official American policy. Nevertheless, the State Department did not, and has not revealed just what this policy will be.

Two Viewpoints

Determination of policy presumably will depend on which of two viewpoints wins out. The first holds that any aid should be withheld from a government that includes communists; the second that America could still exert some influence in China during a period of change by demonstrating its friendship for the "Chinese people."

Several reasons are advanced for halting aid should there be a coalition government dominated by, or including, the Chinese Communists.

First, proponents of this argument say, it is not in line with US strategy in the rest of the world to support communism in China, even indirectly. Such support would tend to undermine US efforts elsewhere.

Secondly, since the Communists would face immense problems once they assumed responsibility for running the country, there is no point in making this task easier for them. Economic aid during the take-over period might weigh the scales in their favor, whereas, left to themselves, the Communists might not prove much more adept in solving China's economic ills than the Kuomintang.

Finally, American efforts and money might turn out to be wasted in the end, should the Communists, once their position is secure, decide

to drive out American business and other interests.

The second school of thought argues that the collapse of the Nationalists would not necessarily mean a complete Communist victory in China. Any new regime, these persons say, would have to have the support of a large number of non-Communists and would need technical and economic assistance from the outside. Therefore, there is every likelihood that US aid would be welcomed and that Americans would have the opportunity to exert some influence.

While such a course would involve considerable gamble, it is a gamble that must be taken if America's stake in China is to be preserved. These Americans point out that China is going to be a battleground of ideas in which America must compete.

Furthermore, they say, the rest of the world is watching what America decides to do in China. If the US sets up anything resembling an economic blockade, she would expose herself to the charge that she is attempting to destroy a "people's democracy" in China. This would actually strengthen the communist position in Indonesia, Indo-China and other parts of the Far East. Moreover, if ECA is suddenly pulled out of China, it could be charged that the aid program was merely a political prop for the Kuomintang.

It is reported that when Hoffman was in Shanghai he consulted a number of prominent American businessmen on the aid question. At one such meeting, 14 out of 15 businessmen present were understood to have declared themselves in favor of continuing aid on a slow-moving, carefully-planned scale should a new government come to power.

Aid Plan

The plan envisaged by Americans who favor continued aid would be one to give immediate economic benefits to the Chinese peasants under a rural reconstruction program, while at the same time developing a long-range cultural and educational program to provide a basis for the spread of American ideas during this revolutionary period in China.

Certain guarantees would have to be furnished. First, there should be assurance that individual freedoms were being protected and China's sovereignty preserved. America must retain close supervision over any aid program. And American businessmen, educators and missionaries must be allowed reasonable freedom of action.

In addition, the program would have to be sufficiently flexible to permit reduction of some parts of the program or withdrawal from certain areas if the agreements were not lived up to.

It is hard to determine whether a coalition government would be willing to furnish such guarantees. On

the matter of supplies, several Americans who have worked for both UNRRA and ECA believe that the Communists would be willing to let the Americans control the aid program if it were made clear that aid was dependent on such control—and if they wanted an American aid program in the first place.

During UNRRA days, there was much tighter control over distribution of supplies in Communist areas than in Nationalist territory, although admittedly the situation was different then. There was also less misuse and wastage, as the Communists had fewer supplies allocated to them and desperately needed everything they could get.

One story illustrates the relationship between the Communist and UNRRA officials. An argument arose over the distribution of some cotton piece goods which the Communists wanted to use in areas they had recently taken. UNRRA, however, insisted that the piece goods be sent to another area, to which it had been allocated originally, and the Communists finally gave in.

Basic Rights

The matter of basic rights is more difficult to predict. The realities of the situation indicate, however, that the Communists will have to make haste slowly in effecting changes over so vast a country as China. Among the anti-Nanking dissidents who have supported the Communists are large numbers of influential non-Communists who have been alienated from the present government in large measure because of infractions against personal and political freedom. They would scarcely be inclined to participate in or support a coalition government which denied these same freedoms. And their cooperation is essential to the Communists, at least at the outset.

The Communists also have been disposed to adopt a more lenient policy towards foreign missionaries and businessmen in areas under their control in recent months. One American woman missionary from Kaifeng reported that the Communists had assured her and other missionaries they could continue their work, and similar reports have been received from missionaries returning from Tsinan, Chengchow and other Communist-controlled cities.

How long such a moderate policy would be followed, of course, is anyone's guess. But, in all probability, it would not be abandoned so long as it brought the desired results, both practical and psychological.

America thus is left with two choices of action. The first course would mean withdrawing from China completely and concentrating its efforts elsewhere in the Far East, most probably Japan. The second would involve an attempt to establish a modus vivendi with whatever regime arises, to preserve the historical US position as a friend of China.

Removal Of Industrial Assets

Plan Threatens China's Best Engineering Works

Walter C. Reynolds

THE Chinese Government's haphazard program of handling industrial properties in Communist threatened Central China is endangering the National Engineering Service of the National Agricultural Engineering Corporation, and with it the NES Base Headquarters, which qualified engineers consider to be the most valuable and effective single engineering works in China.

The Government's program appears to consist of two alternative methods of handling its industrial assets. The first is to move the equipment and supplies southward. Where this seems unfeasible, the other alternative is to paralyze or shut down the operation.

Already, it is reported that NAEC's million dollar Branch Shop at Nanking, put into production in November, has been shut down.

While, in good engineering opinion, it would be possible to move even so large an industrial establishment as the National Engineering Service Base Headquarters from Shanghai to Canton, this would be a major engineering operation, and would involve at least one year's interruption of production under ideal circumstances.

Premature Move

Engineers familiar with the problem fear an unplanned and over-optimistic attempt to transfer the NES operation to Canton. The inevitable result of such a premature move would be the stripping of the light, precision, expensive, and easily movable machinery from Shanghai, with subsequent inability to move the heavy industrial installations along with them. The consequence would be the destruction of what is considered to be the largest single integrated unit of industrial engineering potential in China. Both the equipment moved South and the equipment left in Shanghai would become largely ineffective.

Even if Government bureaucrats can be persuaded of the inadvisability of such an attempt, the present temper of the Government indicates that the important work being carried out by the National Engineering Service will be strangled by drastic cuts in both funds and personnel which are presently being furnished through the Board of Trustees for Rehabilitation Affairs. This plan is being promoted despite the fact that BOTRA has ample funds to continue the operation and the engineering personnel of the NES are eager to continue the work.

The estimated value of the NES equipment and supplies is set in the neighborhood of US\$7,000,000.00. But the true value of the facility, according to NES engineers, lies in its industrial capital-producing capa-

city rather than in its assessed value. Designed and developed to spark plug industrial reconstruction, it is estimated that this organization could activate 100 times its own worth in industrial plants in one year.

There are billions of dollars worth of industrial facilities in China which are totally inoperative or operating at very low efficiency which could be put into full and efficient production by means of the kind of services which the NES has been developed to furnish. Many Chinese industrial establishments contain equipment which is old and for which parts are not readily available on the open market. Furthermore, these plants contain German, French, Swiss, Swedish, British, American, Japanese, and other foreign machinery for which it is difficult to procure replacement parts. The NES organization is trained and equipped to plan and construct complete factories, recondition and install machinery for them and design and manufacture special machinery as required. It also is in a position to furnish trained technicians to assist in initial or expanded operations.

The possible removal of the NES plant and the closing down of the Nanking Branch Shop is a startling contrast to General Fu Tso-yi's recent announcement that all Kalgan factories and equipment are to be turned over intact to the Communists because these installations "form part of the national wealth and public property."

In protest against the action, the NES employees association has started a campaign to urge the Government to drop dismantling plans and leave the plant in Shanghai "as a means of protecting the people's welfare." They apparently fear that the only ones benefiting by the removal will be the officials who may sell the equipment in Canton.

The NES plant was the basic foundation of UNRRA's program to modernize Chinese agricultural methods by producing low cost machinery and tools.

Faced with the necessity after the war of providing the farm implements necessary to rehabilitate China's agriculture, UNRRA had the choice of using China's poorly equipped and inadequate blacksmith shops for the manufacture of these tools or importing them from abroad.

The first method obviously was impossible. The Japanese had taken the basic equipment and looted China's rural industry. Satisfactory tools could not be produced with the cheaply made iron anvils, inferior chisels and shortage of scrap iron left at the disposal of country blacksmiths. Few shops were making castings for even small parts and

fewer technicians were being trained for the job.

The second course also involved a number of drawbacks. Not only would it be expensive—more than China could sustain after the UNRRA largesse was withdrawn—but it would mean depositing the machinery in an industrial and economic vacuum without mechanical facilities for repair and upkeep.

Third Way

UNRRA's Agricultural Division therefore conceived a third way of meeting the problem by bringing in quantities of raw material and equipment to assist China's own shops in the manufacture of machinery and tools, while at the same time training young engineers to carry on the work.

The UNRRA Farm Shops program, as it was then known, was to assist some 3,000 blacksmith shops throughout the country dealing directly with the farmers and operate 18 provincial plants which would produce agricultural tools and processing machinery. To build and service these branch shops, a central works was to be established.

In 1946, UNRRA agreed to merge this program with the National Agricultural Engineering Corporation, an organization formed originally in Chungking during the war by the Ministry of Agriculture and Forestry, the Farmers' Bank, the Sin Chung Industrial Company and the Kuichow Industrial Corporation.

The present NAEC is a rather complicated structure composed of a National Business Service in Shanghai, the National Engineering Service, a Woosung Works, and the branch shops. The Woosung Works is owned jointly by the NAEC and BOTRA. The branch shops are owned jointly by BOTRA and local shareholders. The National Services, including the huge Engineering Base Headquarters in Shanghai, are owned solely by BOTRA, which inherited all UNRRA supplies in China.

NAEC's General Manager is C. Y. Lin, and there are several associate managers, among them Edwin L. O'Brien, who has shouldered primary responsibility for the NES.

NAEC's procurement cost of Farm Shops Program supplies, plus heavy equipment and other supplies allocated from other programs, ran to approximately US\$12,000,000. Using Chinese market values, it is now valued at US\$30,000,000. The raw materials stockpile is valued at US\$2,000,000.

Of the NAEC structure, the National Engineering Service has been the backbone. The NES is responsible for the design, research, and development of new and improved farm machinery and imple-

plements and the planning, construction, installation and tooling of branch factories, as well as the training of young Chinese in practical engineering.

It literally has had to start from the bottom. In 1946 it moved onto a lowland of approximately 500 mow on Chuin Kung (Military) Road in Shanghai where the ground level ranged from three to 13 feet below high water. Two million cubic meters of mud had to be pumped in to fill the grade and all building foundations had to be set on long piles driven deep into the mud. On this swampy plantsite, nearly 60,000 tons of pig iron, steel bars, steel plates, pipe, heavy machinery and building materials were dumped.

The NES met and overcame other obstacles. When its program was curtailed because the Government chose to sell many UNRRA supplies, including some farm shops materials, rather than allocate them to this program, the NES began rehabilitating war surplus and UNRRA property such as bull dozers, concrete mixers, trucks and a 40-ton crane which were headed for Shanghai scrap piles.

These worthless trucks now form a fleet of one of the best maintained busses in Shanghai, and some of them are rented to General Chen-nault's CAT for the equivalent of US\$10 a day. The balance of the heavy mobile equipment is used to make NES construction work the fastest, best, and cheapest now being done in Nationalist China.

The branch shops experienced similar frustrations in getting under way. By the end of 1947, the civil war and transportation difficulties called for a revision in plans to eight instead of the original 18 branches. The Nanking shop, opened last November only to be closed, apparently by order of the Chinese management of NAEC, was the first to start production. A previously operating shop in Kaifeng was a casualty of the civil war. Other branch shops have been under construction in Changsha, Canton and Liuchow, and still others were scheduled for Hankow and Peiping, with the locality of the remaining two still under consideration. What their future will be, with the precedent of the Nanking shop's closure, is obscure.

The Nanking shop was manufacturing medium sized farm implements and planned later on to produce such light machinery as water pumps and threshers.

It was producing a five-toothed cultivator, a specially designed foot tread roller-type cotton gin and a roller-type rice huller capable of producing 1,200 cattles an hour.

The closing of shops such as these, and the dismantling of the NES plant, if it is carried out, not only will work a hardship on China's farmers but, in the opinion of engineers sincerely interested in China's future, will set back China's post-civil war reconstruction several years.

Village Politics

Failure Of A Progressive

DAVID YU

A GREAT deal has been said about the corruption of China's village politicians and about the fact that hsien councillors are not really representatives of the people. My own experiences in Kansu as well as those of my friends would indicate that this description of village life is true though there are, of course, here and there, a few wise councillors who really fight for the people.

It is supposed that hsien councillors are righteous people who will fight against injustices, but the contrary is the case. The few wise councillors rarely attend council sessions but prefer to act individually. These wise councillors know that they are neglecting their duties but they cannot help this for whatever they suggest in the way of improvement of local conditions in council sessions is almost always scoffed at. Any proposals made by them are usually received by the other councillors with such unfriendly remarks as, "Humph, how absurd the bookworms are! Can bookworms really understand political conditions? What kind of a background does he have, eh?" Almost invariably progressive councillors are made inactive or forced out of their positions by this kind of treatment.

Recently in a rich village on the outskirts of Lanchow (Kansu), one of the wise councillors, a man really interested in the peoples' welfare, resigned from his post after much pressure from his colleagues. Today this man is ashamed of having been a councillor and said that he had to succumb to local pressures.

Last year this man had tried to improve the backward educational facilities in his village. He suggested in the council sessions that some temples be pulled down so that a school might be erected. He wanted the existing dilapidated school buildings to be torn down and any proceeds from the sale to be used toward the construction of a new school. He wanted his colleagues to support him in this venture so that funds could be raised to equip the school. As was to be expected, he received practically no support for his plan for the other councillors objected on the grounds that there was no need for such a school. Old superstitions were revived. People muttered, "We do not want a large school here. We would rather give part of our estates to the Taoist Temple than a single cent to the school-master. May calamity befall those who offend the gods!"

The public-minded councillor made many enemies. People who were at present occupying the present school grounds were aroused. "We don't know what the land rent is. The

school let her fields overrun with weeds and we have made them fertile. We have plowed and harvested these lands since you were a child. Why should you interfere with our affairs."

As for the rich and influential in the village, they made no secret of their dislike for this interloper who wanted to start something new. "This trouble-maker!" they criticized, "Our village would have no trouble at all if it were not for this university graduate." Others said: "If the boy (which is what they called him) would get his father to give all his money to the school, we would contribute some." Another said, "Ha, you know, the boy is really a teacher and wants to make his own rice bowl secure. I will not send my children to school. I know many learned men who have died of hunger."

The progressive councillor was determined to go ahead with his plans for a village school so the temples were pulled down, the existing school properties were liquidated, and a new school-house was built. But he made many enemies both among those whose lands were taken away from them (the former school's lands) and among the influential men in the community who were both jealous and suspicious of his actions.

His critics began to circulate rumors about him. He received threatening letters. The local hsien government refused to give him any support. Finally the resistance of this public-spirited councillor was beaten and, though he admitted that he was weak in resigning, he was forced to bow to pressure from the local bosses. He can sometimes be seen in the village with a bitter smile on his face, an expression that reveals his disappointment.

It is interesting to follow through on developments in this village. Who was selected to replace the ousted councillor? A brother of the village chief was "chosen" for this post, an illiterate muleteer. Opium-smokers and drunkards were happy with the choice. The new councillor protected gamblers and made large profits through "protection" money. The new councillor and his friends brought a theatrical unit and a Chinese opera band to the village. No place was more convenient to house these additions to village life than the half-built school. Local children now go to the theatre instead of going to school. The common people of the village look at these new developments with wonder and awe. They see the influence of power, position and family connections.

Malayan Unionism's Death

Andrew Roth

(The author of this article in an American correspondent who arrived recently in China after spending several months in Southeast Asia.—EDITOR.)

MILITANT Malayan trade unionism—which gave Singapore and Malaya the highest wages and most turbulent strikes in Southeast Asia—is dead.

The death of the strongest labor movement in Southeast Asia has been caused both by the Malayan Communists' suicidal decision to resort to arms and the overzealous retaliation of the authorities who have been eliminating not only armed insurgents but also non-insurgent militant labor leaders.

The death of militant unionism has been signaled in two ways. Every few days one reads in the newspapers some item like this: "Lee Ong, notorious terrorist, former anti-Japanese guerilla and former Vice President of the Sungei Supit Mine-workers Union, was yesterday killed while resisting arrest."

It is also signaled, less dramatically, by little notices which have been tacked up on the premises of almost 100 unions, once members of the Communist-led Singapore Federation of Trade Unions (SFTU) and the Pan-Malayan Federation of Trade Unions (PMFTU). These notices declare that certificates of registration—needed to operate a legal organization—have been withdrawn by the Registrar of Trade Unions.

Bitter Arguments

Bitter arguments have surrounded the real cause of its death. But British government statements which proclaim wilful suicide and the Moscow and Communist press accusations of murder by the authorities only touch the fringes of reality. Both seem more interested in profiting politically by militant unionism's death than in unraveling the intricate story of its demise.

Even in life, Communist-led unionism in Malaya had a deeply contentious character. It was tough, turbulent and demanding, seemingly more interested in toughening its members in picket-line fights than in the peaceful enjoyment of the increased wages which it undoubtedly secured. It was a political movement from the outset, feeling the labor movement was the economic arm of the nationalist movement. Labor battles were always considered the warm-up for the big battle when the peoples of Malaya—under Communist leadership, of course—would overthrow Britain's political and economic rule and seize power in Malaya.

In the meantime, Communist-led unions could always be sure of labor's interest in their economic demands because of the soaring post-

war living costs: the price of rice (most of which Malaya imports) had gone as high as sixteen times prewar and was stabilized at about eight times as high as before the war. The economic battles which resulted—both the turbulent strikes and the grudging wage increases they produced—were making tin-and-rubber-rich Malaya less profitable. Natural rubber had scarcely risen over its prewar price and increased wages (U.S. \$.70 a day—with rudimentary housing—against the prewar U.S. \$.23 a day) put the squeeze on the profits of the great rubber plantations.

"Alien" Leadership

British official and semi-official criticism of the Communist-led unions—while frequently having the threat to Britain's economic and political position as a background—has concentrated on its—"alien" leadership, their corruption and use of intimidation. But since three-fourths of the labor force is born overseas, mostly in China, but a good part in India, it is not surprising that most of its leaders are foreign born.

No objective observer can doubt that these unions did use intimidation and strong-arm squads to keep their members in line. However, last year a Board of Inquiry into the killing of two workers in Kedah found "collusion" between the "vested interests" and the police in "suppressing the fundamental rights of . . . labor."

Nor is there much doubt that union funds were sometimes transferred to Communist Party coffers and some disappeared into the pockets of organizers. But strong-arm tactics and corruption (whether for personal or political reasons) have characterized many labor movements in their infancy. And Malaya's militant postwar labor movement—which died when it was less than three years old—had a particularly tough formative period.

Militant unionism was conceived in the prewar period but was never permitted to come above ground by the vigilant police. Its would-be organizers were frequently jailed and, when aliens, were deported. As a result the few prewar unions took on a conspiratorial character, rather like the Chinese secret societies.

Wartime Schools

The wartime training schools for the postwar labor-leaders were not soft—they were the jungle hideouts of the predominantly-Chinese, Communist-led anti-Japanese guerillas. Its eight thousand heavily-indocinated young survivors were stamp-

ed for life. They had learned to live by the gun, not only to fight the Japanese but also to forage for food. They had no reason to love the British, whom they equated to the plantation and mine-owners who disdained them and paid them coolie wages and to the colonial political and military authorities who had refused to allow them to fight until it was too late. It wasn't until 1944 that cooperation began between these guerillas and Admiral Mountbatten's Southeast Asia Command and then it was only half-hearted. Probably the chief reason that they didn't follow the example of Indonesia and Indochina by attempting to seize power at the time of Japan's capitulation was that they didn't have enough popular support. Having fought the Japanese, they were fairly popular among those of Chinese origin, who make up 43 percent of the population of Singapore and Malaya, but had little support among the Indians (10 percent) and among the Malays (41 percent).

The Communists had taken the precaution of securing from Admiral Mountbatten guarantees that there would be freedom for labor organization and proceeded to organize, from the top down, every industry and group of workers in sight. Their energy and success were frightening to many of the Malayan planters and mine owners who returned as Colonels with the British Military Administration. They showed their strength in February 1946 by completely paralyzing the great port of Singapore in a two-day stoppage. Some of the returned Britons advocated use of armed force to put down these "troublemakers." But they were half backed by Admiral Mountbatten and his labor adviser, John A. ("Battling Jack") Brazier.

TUC Man In Malaya

Jack Brazier is a key figure in the turbulent Malayan labor situation. In name he is Trade Union Adviser to both Singapore and Malaya, thus a cog in the overwhelmingly conservative Malayan civil service. But this fast-moving Cockney ex-locomotive driver and labor organizer is, in fact, the representative of Britain's Trade Union Congress in Malaya. A British Labor Party veteran, he is in close touch with Colonial Secretary, Arthur Creech-Jones, with whom he was long associated in the Colonial Research Bureau of the Fabian Society.

Brazier's task has been to assist the development of a "healthy, honest" labor movement. He has been opposed by many of the diehard colonial conservatives who look backward longingly to the prewar days when Malayan labor was almost com-

pletely unorganized. But enlightened British conservatives here recognize the postwar choice is between moderate pro-British unions and militantly anti-British, Communist-led unions.

Brazier's definition of a "healthy" union seems to exclude Communist-led unions. He explains it on the grounds that these Communist-led unions are dictatorially run and are primarily political, and not organizations devoted to raising living standards. The Communists—when they were around to retort—answered that in a colony, trade unions have to be political, because economic improvement cannot go beyond a certain point while the government is controlled by a foreign power which can siphon off Malaya's economic resources as it desires. Even before the Communists took to arms, they were in open conflict with Jack Brazier.

Jack Brazier has endorsed and encouraged a number of government measures designed to "clean up" the unions. Some of them were simply measures to make sure that the unions' books are audited, democratic elections are held, and the like.

Communist Power

But many measures were clearly designed to hack loose Communist control. Communist power came from their control of the Singapore and Malayan labor federations, with 50,000 and 83,000 members respectively. They put their own people in the various unions and drew from these unions as much as 40 percent of their revenues, which was used to support Communist organizers and propaganda. Political and strike decisions were made from the top.

In order to prevent Communists from getting control of essential services, government unions were, in effect, banned from belonging to the Communist-led federations. Indian workers were encouraged to split off from their more radical Chinese co-workers. In order to cut down Communist funds, member unions were limited to 10 percent in paying funds into the federations. It was also made impossible for a union to spend money for political purposes, despite the fact that the British TUC had fought for years against such a ban imposed by the Tories on them in 1927. S. P. Garret, Singapore Trade Union Adviser, resigned because he thought government policy was to fight communism rather than build trade unionism.

Jack Brazier was not unhappy when the police arrested a number of Communist labor leaders on charges of extortion and intimidation—which the Communists claimed were "pretexts"—and deported some of them to China. He proceeded with his long-term work of encouraging "good" (i.e. non-Communist) honest unions. By last winter his work was beginning to bear fruit. Last January, for example, the PMFTU controlled 60 percent of the laborers,

while the Brazier-approved unions had only 14 percent. By May, Communist control had declined to under 55 percent, while the non-Communist unions had jumped to 30 percent. In May, this long process of sniping was climaxed by banning the Pan-Malayan Federation of Trade Unions, nominally because its structure was improper.

The March Instructions

It was against this labor background that the Malayan Communists got word in March from the Calcutta conference of the Indian Communist Party to prepare for armed rebellion because increasing international tension would result in anti-Communist repression in Southeast Asia by the colonial powers and it was necessary to prevent the area from being consolidated as part of the Anglo-American sphere in looming World War III.

In inner party circles this apparently precipitated a split, with the "moderates" advising continued concentration on nationalist and labor agitation. The "extremists" reportedly pointed out that Communist labor organizers were being harassed in every way by the authorities and could not hope to make any headway.

Singapore Strike

Any "moderate" hesitation within the M.C.P. was probably resolved in April. A Singapore harbor strike was broken by the importation of non-union labor; three of its leaders were jailed. There were police raids on trade union premises. The SFTU asked for permission for a May Day parade and demonstration, the 1947 one having been a considerable show of strength. The authorities okayed the meeting but banned the parade. The SFTU said it would parade anyhow, whereupon the authorities banned the meeting as well and ordered troops to stand by. The Communists met, anyway, behind closed doors and a leader announced there would be a shift in tactics.

Word was apparently sent out to be more militant and prepare for an uprising. Some of the trigger-happy guerilla veterans serving as strong-arm men for the plantation workers' unions apparently interpreted this liberally and killed a few British managers and Chinese contractors. The authorities rushed through comprehensive Emergency Regulations, more stringent than anything England had in wartime. Two days before they took effect on June 15, most Communist leaders had dived underground. Although Commissioner-General Malcolm MacDonald says that the Communists had timed their revolt for June 15 and planned to be established in power by August 3, apparently the only evidence for this comes from interrogated prisoners, frequently anxious to tell what they think you want to hear. There is considerable evidence to indicate the Communists expected several additional months of unhindered preparation.

It seems likely, however, that the Indonesian revolt was scheduled for

three months after the Malayan revolt and has failed in large part because consequently it, too, was precipitated prematurely.

The Emergency Regulations were too late to catch the predominantly-Chinese leadership of the Communist party or the five thousand predominantly-Chinese guerillas who joined them in the jungle. They were able to catch hundreds of non-insurgents, largely Indians, who had been allied with them in the labor movement because they saw in it the only means of raising wages. Almost the entire leadership of the militant majority of organized labor in Singapore and Malaya is either in the jungle or in prison. One leading Indian trade unionist, who was not even listed in the government's intelligence files as a Communist, was arrested while addressing workers after the Communists had already gone into the jungle. For those associated with the SFTU or PMFTU the watchword is: "Guilty until proved innocent."

Commissioner-General Malcolm MacDonald has said that most labor leaders are behind the Government's measures against the Communist guerillas. It would have been more accurate to say "most labor leaders who are not in the jungle or in jail."

Only a minority of the 100 unions left leaderless by these desertions and arrests have been reorganized under Brazier-approved auspices. But many of these reorganized unions and even those never connected with Communism are wary of any activity which will bring them to the attention of the anti-labor and Emergency-Regulations-armed police. Employers have become much less sympathetic to demands for improvement.

Few Protests

Recently, Sir Franklin Gimson, the Governor of Singapore, declared that the cost of labor must come down. He could point to the fact that Singapore's workers average US\$16 a week—the highest in Southeast Asia. He did not suggest that the cost of living—also the highest in Southeast Asia—must come down. Despite this threat to labor's living standards, none of the government-approved labor leaders were heard to protest.

At present few laborers dare openly mourn the death of militant labor. But if the moderate unions which remain alive are incapable of protecting labor's standards, Malayan laborers may bring on the rebirth of the Communist-type unions.

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

The Need For Educational Reform

H. C. Huang

THE Chinese character that stands for "education" apparently has two meanings, one is teaching and the other is nurturing. But as far as this country is concerned, there is no such thing in education as "nurturing," which we obviously consider as the job of parents, while even "teaching" has only had a very weak influence on our life.

For years our education had been centered around "teaching," the result of which is a great parade of remarkable scholars, who could write wonderful books and beautiful poems. And being disdainful of the robust frame of the common peasant, they gradually acquired a taste for delicate refinement, both physical and mental. Such delicacy was the delight of the emperors, and it has gradually become an expected phenomenon in today's intellectual world.

Since the establishment of the Republic, our educational leaders have made some effort toward reform, resulting in the introduction of occidental ways of education. We have junior and senior middle schools; we have laboratories, libraries, musical halls and even gymnasiums. But the greatest change is in the introduction of physical exercise as an essential subject in our curricula. It appears that we have begun to realize the importance of a sound body. Our educational motto is "Moral, Mental, and Physical cultivation!" But, as it is with all other slogans that ever existed in this country, we often fail to act seriously on them. Physical exercise is a mere decoration to the curriculum, and moral cultivation merely an abstract noun mentioned occasionally by our august educational leaders. As for mental cultivation, just glance at our youth! On the whole, our education cannot be called a success.

System Needed

It is obvious that, as a modern nation, we must have an effective educational system aiming realistically at the moral, mental and physical development of our youth. Moreover this system must be independent of politics and productive in itself. No doubt it is necessary for the government to invest money in the establishment of schools, but once started, they should be self-supporting, or as nearly so as possible. It is evident nowadays that a majority of parents are not in a position to send their children to schools of higher learning because of the high tuition fees, and equally obvious is the fact that the Government is not able to provide free education to all these children.

Our three years of junior middle school and three years of senior middle school cannot be considered reasonable, even if the idea is imported from the U.S.A. A European boy starting school at the age of nine is

capable of graduating from his university at 20. A Chinese boy, starting at the same age, is unable to complete his education before the age of 24. What a difference! And yet Europeans are not mentally different from us. When eight years of schooling are sufficient to prepare one for a university, we make it twelve. Why?

Intellectual Table

In spirit and in form, our students' fare at the intellectual table of knowledge is much as their food would be if they were to dine in a Western restaurant, and without choice. Their intellectual food is prepared for them, one heavy course after another. We want our students to finish one subject before they start another, so that by the time they are well versed in a given subject, they are apt to forget what they have been taught in the past. But even the business of being "well versed in one subject" does not happen often in a class. Except for one or two who are either very diligent or highly intelligent, the majority of students can hardly keep up to the required minimum standard. This does not mean that the majority of students are foolish or stupid, but it does show that either their teachers are negligent or the system of education is unfit for youthful acceptance. In one short year, our students are required to complete the study of several subjects, in some of which the foreign schools take as long as eight years to instruct their pupils. This, again, cannot be said to show our superiority. It only shows that our foreign friends are desirous of making sure that their pupils know a subject thoroughly, while we are overly anxious to come to the end of a course under any circumstances. Ask our teachers, and I do not doubt that an amazingly great number of them cannot tell you how much their students have actually learned. They know it is outrageous to push their pupils so hard, they know that in a class only a few can keep up with their teaching; but how can this be helped? The semester will pass away in no time, and there are still so many lessons left. So they skip quickly over the lessons until the end of the book is reached. Their duties as teachers are thus fulfilled, no one can doubt that, not even the big men of the educational department. This was the case while I was a student before the war, and I have no doubt that it is also the case at present.

It is a fact that an overwhelming number of middle school graduates are refused higher education and are consequently jobless. The schools, senior middle schools or universities deny them entrance because they are not up to requirements; society neglects them because they have no experience. They belong to nobody

and their only object is to make a living. At best, this group become merchants, and devote their lives to the making of money.

Diploma Hunters

Another absurdity in our existing educational system is the policy of awarding diplomas or certificates. We are becoming a race of diploma or certificate-hunters. A man starts his career, not with the asset of his ability, but with the asset of his diploma. It is his passport to the country of gold. But can everyone afford a diploma? When you want to join senior two, you must produce a certificate to show that you have been in senior one. Self-education is nonsense to the school, which refuses to test you to see if you qualify on your own merits.

Surely our education of today is almost exclusively the property of a privileged class, a class wealthy enough to pay the tuition, a class strong enough to smuggle its children into the kingdom of knowledge under any conditions. Surely this system of education needs to be reformed. It is old, and it is decayed. It turns out students who are either mentally or physically weak, sometimes both.

I do not believe that education is for a privileged class only; education is for all, rich and poor alike. It helps the genius to speed along the golden path of knowledge, but its greatest mission is to give light to the ignorant, to cultivate the barren earth and turn it into land which is useful and of service to our country. Education is light; it should be a beacon to call back those neglected school children who are falling fast into the abyss of crime. It should serve to improve the living of ignorant peasants, to teach them a healthier and more productive way of life. Students should not only be students of books, for essentially they are students of life.

The following is the brief outline of a proposed plan for educational reform in China:

What we believe: We believe that there should be free education for all. We believe that education comes from life itself as well as from books, and that our students should be prepared to meet life by adequate vocational, moral and physical, as well as mental, training.

Length of education: Since in most countries 12 years is considered sufficient time to prepare a student for a university education, the same period should suffice for China. As the gardener prunes all unnecessary branches from the tree in order to make it more fruitful, so should we cut away those superfluous subjects in the student's curriculum which have already made the load too heavy for him to bear.

Curriculum: I propose the following curriculum for the eight years of middle school: Years 1 & 2: Chinese, Arithmetic, History, Geography and Physical Education; Years 3 & 4: The above five subjects plus English; Year 5: the above six subjects plus Physics and Chemistry; Years 6, 7 & 8: the last-mentioned three subjects (English, Physics & Chemistry) plus Algebra, Geometry and Trigonometry.

Many people will disagree with this curriculum because such subjects as Citizenship and Three People's Principles are not included. As for them, I feel that Citizenship cannot be taught in the classroom from books; it is in essence summed up by the two words, "honor" and "responsibility," and these qualities should be a by-product of the teaching of any and all subjects and can be best demonstrated in everyday life. The Three People's Principles should be read and discussed, but need not consume years of study.

Hours of study: Hours of study should be limited to five a day, so that students will have ample time to devote themselves to physical development and extra-curricular projects under the guidance of their teachers. The old system of imprisonment for many hours in a classroom has created a fear of education in the minds of many, an abhorrence for books which can persist throughout childhood and even beyond. We who have been forced by our parents to sit trembling before the despotic thrones of our teachers are all too

prone to inflict the same punishment upon our children as a form of vengeance.

Extra-curricular activities: We all have been children once, and we should know what children want and need. Their desires can be coordinated with their needs, and this should be the function of those guided activities which take place outside the classroom. If a child wants to play, let us guide his play into constructive channels, making use of such things as toy ships, engines, balls, hoops, etc. to demonstrate simple laws of science. If he wearies of the closed in classroom, take him out of doors for regular periods of instruction in nature's classroom. The flowers, the plants, the birds and the beasts—all afford excellent themes for education. Children who learn from nature must do so by working with their hands, their minds and their bodies, and by so doing will better prepare themselves for their adult lives.

The last two years of school should witness concentration on vocational training, as well as the acquisition of knowledge from books. Students should become familiar with the workings of mechanical and electrical things such as the automobile and the radio, with the manufacture of simple industrial products, and with office routine. Training in a variety of vocations should be offered by the school, in one or two of which each student is expected to be apprenticed according to his individual abilities. Not everyone is destined to attend a

university, and those who do not go on to higher educational levels should be prepared to follow other lines.

Self-support: Since in order to have free education for all it will be necessary to make the schools as nearly self-supporting as possible, I propose that each school should have 1) a farm on which to raise rice, cotton, vegetables and domestic animals to meet the requirements of the faculty and students; 2) a power plant to supply electricity for lighting, power and communications; and 3) a model miniature industry (or group of industries) to be run by the school with the dual purpose of teaching the students a vocation and of increasing the industrial potential of the countryside. In different provinces, different branches of industry would be fostered; for instance, the silk industry of Chekiang, the porcelain industry of Kiangsi, the sugar and paper-making industries of Fukien. All three of these extensions of the school—the farm, the power and industrial plants—will not only contribute to the practical education of the students who operate them, but will also become sources of income to the school itself, enabling it eventually to become a self-supporting unit. Until that happy day, of course, money to start these projects and to build up the school plant will have to come from three sources, tuition and boarding fees charged to the first few classes of students, private donations from the interested wealthy, and from Government grants.

大通國際商業銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road (O)

Telephone 11440

Branches:

HONGKONG



TIENTSIN



PARIS

CHINA'S PEASANT REVOLUTIONS

C. C. Lin

PROFESSOR Arnold Toynbee, in his exhaustive study of human civilization, concludes that a civilization has to change when a conflict arises between its people and a dominant minority.

The Chinese civilization has seen recurrent conflict of this nature for more than 2,000 years. Again and again the people have risen in protest, but they have never won a complete victory.

Since the Confucian age, China has produced a ruling class, fed by the peasants and workers. This class has served the emperors or the supreme lords (no matter what they may be called) and ruled the people. It has been characterized by a gentile manner of living and by its traditional knowledge and thought. Although it has been conquered and oppressed by peasant revolutionists during times of uprising, the revolutionists in turn ultimately have been conquered. For the peasant revolutionists have had to conform and become civilized when rising to reign, and when this happens, they forget the class from which they have come and betray those who have been their supporters.

First Revolution

Immediately after the death of Ch'in Shih Huang-ti, the first emperor of the Ch'in dynasty (209 B.C.), the first peasant revolution broke out, led by General Cheng Sheh, who was a serf, belonging to the lowest of the low. Con-fu, one of the descendants of Confucius, took the ritual instruments and a number of his disciples to meet the peasant General Cheng with a view to persuading him to follow Confucianism. Although both General Cheng and Con-fu were killed in the revolution, the fact that a scholar of the noble class was ready to serve a serf was a historical surprise.

Hung Wu-ti, the first emperor of the Ming dynasty, who reigned from 1368 to 1398, was a most infamous tyrant in Chinese history, ruling the people with an iron hand. He forgot completely that he had been a monk and a serf and had been supported by peasants during the rebellion. He repulsed the Mongols and conquered the whole country, but he was conquered by the traditional ruling class.

The fact that the oppressed people have never won a final victory has made it impossible for the nation ever to have lasting peace and order. Civil wars have occurred periodically throughout the history of China, a great one in every century and a small one in every decade.

Dynasties have arisen and fallen with the uprising and suppression of peasant rebellions. Historians can find no complete peace in China even within so short a period as five years.

Within the past century, China has witnessed two great peasant rebellions, the Taiping Rebellion, 1850 to 1864, and the Communist Revolution of recent years. The Taiping revolt set themselves up at first not only as representatives of the people, but also as pioneers in adapting Western culture to their political ideology, for at that time China had already met modern Western civilization. They attempted certain Christian principles and held some ideas of economic equality. But they were inescapably conquered by the old Chinese feudalism and, after setting up their capital at Nanking, became corrupt and failed.

Warlord Rule

Following the Taiping Rebellion, China, under the Manchu regime, was really ruled for more than half a century by the very persons who had suppressed the rebellion, such as Tsen Kuo-feng, Li Hung-chang; and their successors. They were complete reactionaries, representing the old feudalistic landlord class and traditional Confucianism. The reign by the warlords in the time of the Peking Government, 1912 to 1927, was, in fact, a continuance of Tsen-Li's regime; its leader, Yuan Shih-k'ai, the traitor, was an immediate follower of Li Hung-chang. It was not a wise policy for Dr. Sun Yat-sen to make a compromise with Yuan Shih-k'ai and give to the old ruling class the newly established Republic of China, which ought to have been in the hands of the people.

There was a gleam of hope that China might break down the old system of traditional regime and set up a modernized country when the Nationalist Revolution, led by General Chiang Kai-shek, allied with the Chinese Communist Party, started its Northern Expedition from Canton in 1926. But the revolutionary power was divided after the occupation of Wuchang and Hankow, with the separation of the Kuomintang and the Chinese Red Army. The Kuomintang from then on forgot the supporters it had during the expedition—most of them peasants and workers—and turned backward to the traditional regime. Thus, the fundamental right of the peasants has been overlooked for the more than 20 years that the Kuomintang has ruled the country. Reforms in the land tenancy system, for example, have been delayed again and again from being effected, in spite

of the fact that the Government is almost wholly built upon the peasant class.

However, the warlords, transmitted from the Peking regime, have remained in power under the "revolutionary" Kuomintang. After the inauguration of the Nanking National Government, the Kuomintang was so eager to bring about an immediate unification of the country that General Chiang launched the Second Expedition. He was congratulated on his success in 1928, but the unification was only nominal; China was not really united, even discounting the rising force of the Communist "bandits," who occupied the borders of many southeast provinces. General Chiang succeeded only in winning over a number of old warlords who, changing their banners to the flag of "Blue Sky, White Sunshine and Red Ground," suddenly became "revolutionists" without learning the principles or doctrines of the revolution. These warlords still cherished their localism and gripped the lands which they had been allotted or had occupied. Such was the arrangement under which General Chiang exercised authority over a Christian General, Feng Yu-hsiang; a Shansi Governor, Yen Si-shan; a retreating General, Chang Hsueh-liang and a number of former warlords in the southwest provinces.

This, of course, ended the life of the Kuomintang revolution. The National Government could not and still cannot shoulder the great task of keeping the country in peace and order and of leading it towards modernization.

Unfortunate Alliance

The eight years war of resistance against Japanese aggression presented a chance to sweep away most of the forces of the old militarists, but it also mercilessly exposed the Kuomintang's corruption and inability in administration. The Government is now betrayed by those who have been betrayed by the Government. Any hope that may give way to the people under Kuomintang tutelage is stopped by the Kuomintang's unfortunate alliance with this same ruling class.

China is changing. To change means to take something old out and put something new in. The traditional ruling class has ruled too long, and has been old for more than 2,000 years. It is time that it disappeared and the fresh blood of the people be pumped into the arteries of the nation. Anyone who goes against this trend of history is bound to be caught in the storms of these times.

*Rural Unrest***LETTER FROM SHENSI**

—Lu Jin-sheng—

THOUGH the north part of Shensi has long been occupied by the Communists, it has never been more threatened by the possibility of a further attack than it is today. For it is rumored that General Hu Dzung-nan and his troops will be transferred to the south. If that occurs, the middle part of Shensi will be exposed to direct attack from the Communist forces. Judging from the appearance of two of General Hu's divisions in the area north of the national capital, the withdrawal of one-third of the air forces from the Sian base and the appointment of Governor Tung Chao as concurrent Vice-Director of the Sian Garrison Headquarters, this report is anything but groundless.

So far, quiet and tranquility has reigned in most part of Shensi despite the occasional small-scale offensives in the north started by the Communists. However, it is an undeniable fact that with the present development of the Civil War, the people in this province are greatly disturbed, particularly the intellectuals as a whole, who are thrown into an unprecedented mental anguish

from which they cannot extricate themselves. They are mostly college students, professors, middle-school teachers and public functionaries in various governmental institutions, and they are now at the crossroads.

Special Train

The families of the garrison troops at Sian and other places in central Shensi have been evacuating for days by means of the Lunghai Railroad. A special train is provided for them which runs from Sian to Paochi and back once every 24 hours without taking time to stop at insignificant stations. This measure, it is said, is adopted to strengthen and enhance the morale of the troops, who would not have to worry about their families once war is begun. But it exercises a very unfavorable influence on the minds of the people, who cannot help but think that the government is going to leave them behind at the mercy of the Communists.

However, those who are confronted with the most difficult problems are the school authorities of National Northwestern University, the National Northwestern College of En-

gineering and the National Northwestern College of Agriculture which are situated respectively at Sian, Shianyang and Wukung along the Lunghai Railroad. Some time ago, the Ministry of Education sent them instructions, care of General Hu Dzung-nan, to the effect that they might remove the three schools to safer sites in Szechuan and that money would soon be remitted. For that reason, they all agreed to put forward the closing date of the semester to December 25, and a Removal and Reconstruction Committee was organized through joint efforts. Representatives of the three schools have already departed for Szechuan to hunt for new sites around such spots as Chungking, Chengtu and Tzeliuking. So it is obvious enough that the three schools have determined to build a new life elsewhere. But this is only one side of the story.

Hardly had the representatives gone, when grumbling arose among the students and professors who preferred to stay rather than go. They constitute a large group and have a host of reasons or opinions to give for their attitude. They all fear



THE NATIONAL CITY BANK

OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD

TELEPHONE: 11500

that they might become beggars if the Government does not take good care of them in Szechuan. This is not impossible. They can point out the example of the National Honan University and a number of middle schools from Shantung and Honan. The whole body of senior students do not feel like going because they fear that they will have to spend the remaining half-year of their golden college life in idleness if the schools cannot resume their work soon enough after removing. Teachers with wives and children won't go because they are tied down and are in no position to leave. Some hold that if the schools are removed, all the campus buildings, even if not destroyed by war, would be taken down by the neighboring peasantry and carried away piece by piece, brick by brick and tile by tile. A villager who occasionally hucksters outside the gates of the National Northwestern College of Agriculture, was actually heard to say, "When the school is removed, we shall have an ample supply of firewood." And so they will not go for the future of the school. Still others say that it is an adventure to follow the steps of the present government, since it is already on the decline, and that a college should not take a political attitude. Most of them object to the idea of removal on the ground that almost all of the schools in Peiping have decided not to move South. The schools at Peiping have always been at the head of all student movements, and since they can stay where they are, why can't the schools in Shensi? The last reason can be said to be the most popular.

Want Move

Contrariwise, there are quite a number of people equally fluent in expressing their reasons why the schools should move. They desire to go because they do not know what the Communists are like and how they would act toward the intellectuals who have been trained in "capitalist" liberalism. The Communists may have them retrained in thought and belief and if they don't obey, might bury them alive. Whether or not this is pure innocence or laughable fancy, it is their fear and greatest nightmare.

On the so-called democratic walls of the three schools, the two opposing groups are carrying on a hot war of debate. At one of the meetings in the National Northwestern University, the two groups even got into a fight.

Yet, in spite of all the debates, fights, guesses, fears and fancies, the fate of the three schools cannot be determined, just as the fate of the country as a whole cannot be determined. Perhaps it will be determined when the new cabinet is inaugurated and a new ministry of education is formed. It is more possible that coming developments in the Civil War will nullify the necessity for going, which is the hope of every student and teacher whether he is willing to leave for another place or not.

The Week's Business

THE week ending Wednesday, January 5 had more holidays than business days. Transactions, therefore, were extremely limited and the turnover was modest in all fields. Nevertheless, prices in general showed increases rather than declines, with prices of raw materials generally gaining more than those of finished consumer goods.

Although peace rumors continued to circulate on the market and although news from Nanking, as well as Tientsin, proved that KMT circles actually were pleading for peace, neither the many rumors nor the current "peace news" could impress the market. Forecasts to the effect that the gold rate would drop in consequence of the peace movement so far have failed to materialize, and reports from the various black markets indicated further advances rather than drops.

Information on industrial production in Shanghai was scarce during the short week under review. What little news was available in this respect, however, showed that on the whole textile, as well as chemical production had declined still further. In this connection, it may be worthwhile mentioning that according to recent reports, the textile production in South China, too, has decreased and is expected to decline still further. News from Canton last week indicated that with the exception of three comparatively big mills, all silk and cotton weaving mills in Canton have been forced to close down. As chief reasons, the reports listed high prices of raw materials and poor market conditions.

On January 5, the last day under review, the Central Bank in Shanghai started to sell gold under new regulations. Just as was the case in December, the pavements in front and in the neighborhood of Government banks were crowded with people obviously willing to pay the "equalizing fund." The "equalizing fund" was GY4,000 on December 31 and on that rate the new gold price was to be based. This means that the price of one ounce of gold was GY1,000 (the original price) plus GY1,000 as a deposit, plus a GY4,000 "equalizing fund", altogether GY6,000. In the future, the rate of the "equalizing fund" will change every day. It will be fixed by a committee of three, one each from the Central Bank and the Finance Ministry, and a civic leader. Each person will be allowed to purchase one ounce of gold every three months. He will have to pay the price on the day of application, but will obtain the gold seven days later.

While gold thus was being sold according to the above mentioned rules, the Shanghai City Council on January 4 petitioned the Government for immediate resumption of gold sales at the original price and without limitations. It was explained that by abolishing the restrictive measures in the buying procedure

and selling gold in unlimited quantities, the Government could achieve the stabilization of the national tender.

In other words, the City Council wants the Government to "dump" gold on the market, believing that by doing so the authorities might persuade the public not to buy. The very fact that gold would be available at any time would impress the market and also force commodity prices down, it was explained. However, while the dumping of consumer goods might produce that effect, the same cannot be expected with regard to gold, at least not in politically chaotic times, in the opinion of local bankers.

On January 5, when banks reopened for business after the three New Year holidays, prices of practically all commodities were between 25 percent and 40 percent higher than on December 31. Further price increases also were reported from the foodstuff markets where rice, flour, oil and vegetable quotations gained another 15 percent to 25 percent. Dealers explained that those new hikes were caused by the increase in the rate of exchange.

Meanwhile, the Central Trust made known that new barter agreements may be concluded in the near future. Evidently, the much heralded barter agreement with France so far has been disappointing for both sides, while the agreement with Italy, referring to rayon as the chief Italian item, was extremely limited in its effects. In the case of Japan, semi-official statements recently said that China owes Japan about US\$8,000,000 and that the barter trade with that country was unfavorable due "to technical difficulties". New barter agreements are said to be on their way with the South Seas countries. Apparently the new arrangements will be concluded not between the Central Trust and the respective governments, but with Overseas Chinese firms.

On the import markets, businessmen last week foresaw further declines; while quantity and value of December imports were the lowest registered since the end of the Pacific War. Importers declared that January imports, probably, would be even smaller. Dealers who placed orders with importers after December 25, 1948 were interested in late delivery to allow them to have their cargoes shipped to Hongkong or other southern ports in case something happened in Shanghai in the meantime.

Comparatively large shipments were reported to have arrived in Hongkong during the week under review. Generally, it was taken for granted that the bulk of such goods had originally been destined for either Shanghai or North China ports. Business with the latter practically has come to a standstill.

NEWS OF THE WEEK

Chiang Offers To Step Down; Gesture Seen As Political Move

PRESIDENT Chiang Kai-shek made a dramatic, but not quite unexpected, move this week to extend an olive branch to the Chinese Communists. In his New Year message to the Chinese people, Chiang expressed readiness to step down if the Communists really wanted a peaceful settlement of China's civil war, and stated that "the Government will be only too glad to discuss with them the means to end the war if the Communists are sincerely desirous of peace and clearly give such an indication." But he warned that "if, on the other hand, the Communists are not desirous of peace and will insist on the contrary on pursuing their armed rebellion, the government, with no other alternative, will fight them to the finish." He particularly stressed that the Shanghai-Nanking area, as the political nerve center, would be held at all costs.

Chiang presented five conditions for a negotiated peace with the Chinese Communists. He said: "If a negotiated peace is not detrimental to national independence and sovereignty and will contribute to the welfare of the people, if the constitution is not violated and constitutionalism is preserved, if the democratic form of government is maintained, if the entity of the armed forces is safeguarded and if the people's free mode of living and their minimum living standard is protected, then I shall be satisfied."

He quite adroitly told his fellow countrymen that "the key to the problem of peace or war and to the happiness or suffering of the people is not in the hands of the government, nor can the problem be solved by popular appeals for peace to the government alone." The problem, he said, "can only be decided by the Communists," and its solution depends on their sincerity.

Stormy Debate

ACCORDING to well-informed circles, Chiang's message was not issued without heated debate inside the top level of the Kuomintang. It is understood that finishing touches to the text were not completed until late in the night of December 31. On this point, a *UP* story dated January 1 from Nanking had something interesting to say:

"President Chiang Kai-shek's New Year message was the topic of a four hour stormy debate among top level officials at the Generalissimo's official residence on Friday. At the meeting, the standing committee of

the Kuomintang Central Executive Committee was called to give it the final approval. The English text of the message was issued four and a half hours before it was approved by the committee. The committee debated heatedly whether the message as written should be issued and whether the question of Chiang's resignation or staying in office should be included.

"The meeting was divided, with one body opposing the issuance of the statement, especially the part regarding the Generalissimo's future. They call the statement a surrender. Premier Sun Fo stoutly supported the statement. Finally it was decided to issue the statement, including the part regarding Chiang's readiness to step down. This part, which peace advocates considered the most important sentence of the whole message, says if peace can be realized the Generalissimo will not be concerned about his retirement or staying in office or his personal future. This sentence was included in the Chinese text. It was omitted in the English translation, however, probably due to oversight of the translators."

It was an open secret that right wing members of the Kuomintang had done their best to persuade Chiang not to resign for fear that once Chiang steps down the right wing will collapse like a house of cards. *UP* reported January 1 from Nanking:

"One reliable source confirmed that President Chiang Kai-shek has definitely made up his mind to step down. At a Central Executive committee meeting the rightist group tried hard to persuade Chiang to kill the sentence in his message announcing his willingness to resign. Several rightists said to the president: 'You must not resign. It will mean the end. You must stay and we all will continue to support you.' To this, Chiang was said to have retorted angrily: 'Support me! You support me only on the surface, but what you did was all against.'"

Reaction Divided

REACTION to the President's peace gesture was divided. Official quarters and Kuomintang-controlled papers and civic bodies joined in hailing the message as a momentous document, which marks a turning point in Chinese history. Diplomatic quarters and neutral circles received it with reserved optimism mixed with skepticism. Anti-Nanking groups treated it with distinct coolness and even open contempt and hostility.

Premier Sun Fo, in his New Year Day broadcast to the nation, lauded Generalissimo Chiang Kai-shek's stand for peace and urged a common effort towards realization of peace in China. He termed Chiang's announced unconcern about his personal position in seeking a peaceful settlement of the civil war a sign of "great statesmanship".

Sun said he regretted the failure of General George C. Marshall's mediation efforts, adding "how blessed and prosperous China would be today if all the agreements reached then had been implemented." He blamed the collapse of the mediation effort on the "narrow, selfish interests" held by both the Kuomintang and the Chinese Communist parties and the failure of the Chinese people in general to initiate a popular movement to make peace a reality.

As a means of striving for peace Sun Fo urged that:

(1) All Nationalist troops remain at their posts with courage and determination instead of being "thrown out of gear" by the Government's announced intention for peace.

(2) An organized effort be made by people throughout the country to force upon the Chinese Communist party the realization of the earnest desire of the people for peace followed by immediate cessation of hostilities.

As part of this organized effort, various civic bodies in Shanghai, Nanking and Peiping have addressed urgent appeals to the Chinese Communists, asking immediate cessation of military operations and opening of peace talks. It is highly amusing to see the Chinese Communists, who were formerly denounced as "bandits" and "traitors" with a price on their heads, now addressed as and "gentlemen" with great courtesy and respect.

Skepticism Voiced

SOME people raised objections to the wording of President Chiang's message, saying that it was not conducive to successful resumption of peace talks. Elder Statesman Shao Li-tze, "grand old man of peace," regarded Chiang's message as "a call for Communist surrender" rather than "a call for peace." As such, it can not be expected to have any favorable initial Communist reaction, he said.

Foreign observers felt that some terms that President Chiang set forth in his message for peace seemed ill-advised and would probably add to the present difficulties instead of removing them.

Commenting on President Chiang's message, the American-owned *Shanghai Evening Post* of January 3 editorialized:

"...What, at this stage, comes out of Nanking? Talk, more talk—the apparent preliminary to an indefinitely protracted effort at horse-trade. In effect, terms on which the Chinese Communists might now surrender without having it quite called that.

"What will the reaction be? We're afraid it would be pretty negative—or pretty positive in the way of shot and shell. To the Communists at present, such talk must sound little short of impudent.

"The *United Press* thinks that Chiang's message was a 'history making move.' But our reading of it is that it was no move at all, and that it won't make any history.

"As to the Generalissimo's five conditions, they are likely to prove merely provocative. Talk of that kind turns history back, not forward. Four of the five are trite, self-evident and axiomatic, while the fifth, which calls for safeguarding the continued "entity of the armed forces" is actively contrary to the national interest by any sort of common sense evaluation whatever. China is not going to be in a position to fight any foreign foe effectively for generations, and she should never again engage in civil war. If every single soldier in any variety of Chinese uniform could be returned to the paddy-fields or factory tomorrow, it would be a blessed boon for the whole nation. So why take the pretext of a peace overture to reiterate a vicious doctrine of the sort which has already brought China to the verge of ruin?"

Political Move

DIPLOMATIC circles in Nanking considered Chiang's peace gesture a stroke of statesmanship which re-opened the door to renewed effort for a political settlement of China's civil war. If war should continue, it was pointed out, public opinion would likely blame the Communists rather than the government.

Reuter reported January 2 from Nanking: "Regardless of the possibility of peace, however, observers regard Generalissimo Chiang Kai-shek's message as a wise political move, which would expose the Communists to public denunciation if the unpopular civil war continued indefinitely. With this gesture, Chiang is believed to be also attempting to retrieve the lost sympathy from abroad for the Nationalist regime, particularly from the United States."

Competent observers are of the opinion that under present circumstances Chiang's peace gesture, if unaccompanied by simultaneous drastic change in Nanking's internal policies, is more designed to serve political and diplomatic purposes than to offer any concrete solution of the China problem.

AP disclosed that Nanking was "trying everything possible to prevent a localized peace in the north." According to the story, "Undercover political maneuvers were in progress on both sides. Fighting was almost non-existent, as it has been for near-

ly two weeks. It was learned reliably that Generalissimo Chiang Kai-shek had sent a new order to General Fu Tso-yi to come to Nanking for consultations. Strong rumors from Peiping have had Fu seeking an independent settlement with the Communists. He was invited to Nanking last week. He did not come on grounds of bad flying weather."

It was rumored that Nanking intended to transfer Fu's troops from North China southward for the defence of the Yangtze. But Fu's refusal to go to Nanking upset the whole plan. It is rather significant to note that a large group of National Assembly delegates in Peiping sent a telegram to President Chiang, expressing their support for his peace stand but requesting that practical steps be taken for effecting cessation of hostilities in Peiping and Tientsin so as to save the people there from destruction.

Revolution To Go On

COMMUNIST reaction to Nanking's peace gesture was unfavorable. According to *UP*, the Communist radio charged January 3 that the Chinese government's peace proposals are being inspired by "American imperialist aggression" and that British and French governments are throwing their support behind Washington.

The broadcast claimed that victory has already been won across the entire country and asserted the "revolution could not be abandoned in mid-stream." There was no mention of President Chiang Kai-shek's New Year message.

"The enemy will not expire of its own accord," the broadcast said. "Neither the Chinese reactionaries nor the forces of American imperialism or aggression in China will voluntarily retire. Precisely because they see a nation-wide victory in the Chinese people's liberation war cannot be blocked merely by military struggle, they are coming to attach more and more importance to political means.

"On the one hand, Chinese reactionaries and the American aggressor now are utilizing the present Kuomintang government to carry on a peace plot. On the other hand, they are planning to use persons who have connections with the Chinese reactionaries and the American aggressor as well as with the revolutionary camp. They are inciting and instigating these persons to sneak into the revolutionary camp to form a so-called opposition force to disrupt the revolution."

The Communists charged that the Americans have a two-fold program: First, to bolster government military strength south of the Yangtze and organize provincial forces for continuation of the battle and, secondly, to try to split the Communists into separate camps.

Warning that the Communists consider themselves in the top position right now, the broadcast continued:

"We will continue the fight. We will have no mercy on the enemy or

friends of the enemy. The revolution cannot be abandoned in mid-stream. This would be against the well-being of the Chinese people, giving in to the will of foreign aggressors, enabling the Kuomintang to gain a respite, and permitting the wounded beast to nurse his wounds and again one day throttle the revolution so that the entire country would return to a world of darkness."

Preparations In South

IN anticipation of future trouble, the Nationalists are busy making preparations in Kwangtung and Taiwan for meeting any possible emergency in the event of Nanking's fall. The recent appointment of former chief of staff General Chen Cheng as governor of Taiwan is generally regarded as one more sign that this strategic island is destined to become the final refuge of what is left of Nanking's real strength. It is said that the Nationalist Navy and Air Force have moved their headquarters from Nanking to Taiwan. A Nationalist military man told *AP*: "The Generalissimo will sooner or later move in too—he counts on a third world war between Russia and America and will sit it out across the Taiwan channel as the refugee governments did in England the last time."

Meanwhile, Generalissimo Chiang Kai-shek's son, Chiang Ching-kuo was named chief of the Kuomintang office in Taiwan. It is stressed that both General Chen Cheng and young Chiang are men of action who want to get things done.

Similar preparations are understood to have been made in Kwangtung. But recent developments there seem to indicate that things are not going so well.

Reuter reported January 1 from Canton: "This South China metropolis offers little security and less hospitality to the Nationalist Government if suggested negotiations with the Communists fail and if they are forced to retire from Nanking. Canton has been apparently named as the goal of such a retreat, but there are few apparent preparations to receive the Government, which frankly is not wanted here.

"This attitude assumed that the Government could move to Canton as a going concern, a possibility well-informed observers both here and in Nanking believed unlikely. They believed the Government, if forced from Nanking, would disintegrate.

"Observers believe that the Cantonese are not particular who governs in Nanking so long as they, like millions of Chinese elsewhere, have peace and a full rice bowl. They are not Communists but they dislike Chiang Kai-shek and the Central Government partly because they associated them with so many years' civil strife.

"Assuming that a Nationalist retreat is made to Canton, observers cannot see how the city and the South generally could be held for long. The chief reason would be lack of military strength."

The Review's English Lesson—LXV

THIS week, we'll take up the questions submitted by Mr. K. C. Chen, having to do with letter writing, and by Mr. A. L. Chen, who was puzzled by some expressions in a *TIME* article on newspaper styles in the United States. First, about the writing of business letters.

Opening: Our reader wants to know which is the better opening gambit: "We were glad (or pleased) to receive your letter of 15 inst," or "We are glad, etc." The first difficulty is tense; if we are describing the emotions evoked by the receipt of the letter referred to, then "We were glad" is correct, since the time is past; we have now recovered sufficiently from our joy to reply. We might say that this way of opening a letter has a slightly antiquated flavor. Usages change, and these days a more direct approach is thought best. For example, "Thank you for your letter of December 15." This combines courtesy with a less confusing reference to the date, and does not go into gladness, which most of us don't feel upon receiving a business letter anyway.

Closing: Similarly, it is now thought best to avoid complicated closures. Two hundred years or so ago, it was customary to close letters with some such formula as, "Your most humble, obedient servant, etc." Our reader asks about "Kindest regards and best wishes" as a closure. This might be all right for a personal letter, but definitely not for a business letter. Also, it appears a little overelaborate to close with "With best wishes, I am, etc.", although this is done. It is difficult to make hard and fast rules about these things; if one is writing a business letter, for instance, to someone with whom he is well acquainted, a slightly warmer and less formal closure is perfectly all right. But for the ordinary, impersonal closure, we favor "Sincerely yours," put just under the concluding sentence of the body of the letter, without any build-up.

Tense: This subject seems to present great difficulties to the Chinese student of English, and it is extremely hard to put the matter briefly and effectively for him. It often confuses us, we must admit; but since we do not write in terms of rules, we do not think our readers can. Familiarity with English, through extensive reading and (if possible) writing and speaking, is the best way to learn an extremely difficult language, with more exceptions than rules. To make a stab at a general rule of tense, we shall say that English has certain forms of verbs which describe not only the action, but the time of its occurrence; the rule is, to use the verb-form corresponding to

the time. In the sentence, "The local agency said that the price is advancing," the "saying" is in the past, therefore the price "was" advancing. Logically, the agency, even provided with a crystal ball, could not have said yesterday that the price is advancing today. The key word is "that", which means that the agency is not directly quoted. The direct quote means that the exact words said are repeated, in their original tense, etc.: thus, the sentence would be correct if put in this way: "The local agency said, 'The price is advancing.'" The other example given, "I was informed that he is ill," is incorrect for the same reason; it should be, "I was informed that he was ill."

* * *

THE *TIME* article referred to by Mr. Chen appeared in the issue of October 11, 1948, page 63.

Style, Newspaper Version (the story heading): This is only a shorter way of saying "The Newspaper Version of Style."

On chains: That is, "in the business of running, or writing for, a group of newspapers operated as one enterprise."

Staffers: In "*Chicago Tribune* staffers", this is *Time's* way of saying "staff members."

No verb: In the sentence, "Sample warning: 'Regardless of the gravity of an accident, etc.'" The colon is here used instead of "is" or "was"; it's best not to imitate this too rashly.

On and in: "On the *Review*" refers to the *Review*, to its editors, to the work; "In the *Review*" refers to something printed in the magazine. "I read in the *Review* that Harry is working on the *Pootung Pandibat*."

Went gray: That is, his hair turned gray; sometimes used humorously to describe the effect of great worry or a hard task upon the doer or sufferer.

Tut-tuts: "The *Detroit Free Press* tut-tuts careless reporters;" reporters are mildly rebuked, given a slap on the wrist.

Tongue in cheek: Sly, calculated impudence; saying or writing so strictly according to rule or extending the rule where it was not meant to apply, that the rule is ridiculed.

Chinese Magazine Roundup

Outlook Weekly

COMMENTING on the composition of Sun Fo's new cabinet and Sun's talk about "honorable peace," the *Outlook Weekly* of January 1 points out that the main task of Sun's cabinet is to seek American aid in order to weather the present storm.

"It is quite obvious that Nanking needs foreign aid to prosecute the war with the Chinese Communists," the magazine says. "It also needs foreign assistance to make peace with the Communists. To speak frankly, the Chinese Government is in no position to bring about self rejuvenation and has to depend upon outside help.

"Therefore, it can be safely predicted that the first task of Sun Fo's cabinet will be to do its best to obtain American aid. This is the reason why his cabinet contains so many pro-American elements. Minister of National Defense Hsu Yung-chang and Minister of Justice Mei Ju-ao were closely connected with the American army in Japan. Minister of Communications Yu Ta-wei is too well known for his pro-American tendencies to need any introduction. Even Education Minister Mei Yi-chi and Minister of Health Robert Lim are to the American taste. Sun Fo originally planned to invite Hu Shih to be his Minister of Foreign Affairs. Hu is popular with the Americans. General Chang Chun and General Chang Chih-chung represent the peace group, while Chen Li-fu represents the war group. Both the war group and the peace group would like to obtain aid from the United States.

"But what does Sun Fo's new cabinet propose to do in order to secure American aid? Sun Fo pointed out at the first meeting of his cabinet that, since the United States was bent on effecting a peaceful settlement, his cabinet had no objection to peace. In reply to American criticism against corruption in the Chinese Government, Sun Fo promised to institute reforms, particularly in conscription and land tax in kind. In view of the fact that the United States is shipping supplies direct to the provincial authorities, Sun Fo talked about the abuse of too much centralization and advocated decentralization.

"As a matter of fact, with the exception of the talk about peace and decentralization, there is nothing new in Sun Fo's national policy. In the field of foreign relations, Sun Fo stressed his readiness to remove any misunderstanding that existed between China and any foreign neighbor. It need hardly be said that this remark was aimed at the Soviet Union. In making this remark, Sun Fo was apparently applying pressure to the United States. His implication was quite clear. If the United States did not use her

good offices to help Nanking make peace with the Reds, Nanking would turn to Moscow for advice and help. In that case the United States would be left outside the door. Playing to Sun Fo's tune, Minister without Portfolio Chen Li-fu warned Washington that the United States will have to suffer the consequences if it overlooks the situation in China. Chen was playing the same trick that Madame Chiang Kai-shek tried in Washington.

"It would be helpful to make a general review of what the United States has been doing in China during the past three years. General George Marshall's original plan was to crush the Chinese Communists without much fighting. But at that time there existed a serious difference of opinion between the Chinese Government and General Marshall. The Chinese Government authorities were sure of their ability to wipe out the Reds with force, and they seemed to think that fighting was more useful and more desirable than negotiation. Marshall did not insist on his view because he also had a good opinion of the fighting strength of the Nationalist armies. The result was that fighting was in progress side by side with the negotiations. Wherever fighting was unfavorable, the Government offered to negotiate. Wherever fighting was favorable, the Government preferred war. This was the period of American mediation under General Marshall.

"When peace talks between the Kuomintang and the Communists broke down and full dress fighting ensued, the United States threw all its might behind Nanking. But, unfortunately, things did not go on smoothly, even in the first year of large-scale fighting. Soon American Ambassador Stuart got busy, trying to bring about peace in order to play for time. But each time the ambassador talked about peace, the Chinese Government shut the door tight. Nanking was of the opinion that, as long as the Nationalists carried on the war with the Communists, American aid would be forthcoming without interruption. The Chinese Government authorities seemed to be convinced that the United States would never leave Nanking in the lurch.

"Now, seeing that the United States is washing her hands of it, the Chinese Government authorities are talking about peace. In other words, they have eventually come around to the American idea of seeking a breathing spell through peace talks. But now it is too late. Even American aid will not be able to tip the scales in Nanking's favor.

"Under such circumstances, what the United States is doing is quite clear. She wants to let the Chinese work out their own solution. But, at the same time, Washington has

something up its sleeve. It wants to back up the provincial authorities in Nationalist China. Then, when a new regime is set up over the whole of China, the United States intends to stay put and build up a powerful opposition to fight the new government and bore from within."

China Reconstruction

IN an article published in the *China Reconstruction* of December 5, 1948, Professor Yen Han-chin offers some valuable advice to Chinese college students as to what they should do in order to meet the requirements of the changed situation.

First of all, Professor Yen stresses that Chinese students must understand that the working class people and the tillers of land are playing a leading role in China's reconstruction. Since most college students are the sons and daughters of bourgeois or petty bourgeois people, it is important, he says, that they ignore their own class interest and co-operate with the workers and farmers.

"It is necessary to keep in mind that many of the traditional systems and conventionalities have to be re-evaluated," Professor Yen writes. "Those which are found irrational must be abandoned without the slightest hesitation. Forty years ago, it was a must for girls to bind their feet, and nobody dared question such an evil practice. But now, everybody knows what a ridiculous thing it is.

"Secondly, college students should prepare themselves for a hard living. Chinese society still remains in the stage of agricultural economy and the Chinese standards of living are fairly low. But the living standards of intellectuals in the leading cities are rather high. Of course, it is quite true that in the China of tomorrow production will be increased. But it must be clearly understood that this cannot be achieved overnight. In order to insure a minimum full-belly-and-warm-back level for all the people, the intellectuals will have to set a new standard so far as their material comfort is concerned.

"College students must accept this new standard, which will be characterized by simplicity, healthfulness and substantial benefit.

"I know perfectly well that the college students of today have a lot of things to worry about. In order to get rid of such worries it is vital to effect a drastic change in college education itself. Personally, I think that college education should turn out people who can render service to society. But as things stand in China, a college education tends to produce scholars who are mere bookworms...."

US Magazine Roundup

US News & World Report

IN the December 3, 1948 *US News & World Report*, US policy toward China is discussed in an article which forecasts a "stricter policy on China."

"What to do about China's Chiang Kai-shek is the \$64 question that dominates secret debates under way over US foreign policy," the article says. "This is a debate at the top level. Its outcome is to affect military policy, tax policy, diplomatic policy."

"The question is whether to prop up Chiang with more US aid or to let him fall. Prop him up, and the cost can be high in money and materials with no assurance—on the basis of experience—that the money and materials will get any particular result. Let him fall, and the cost can be high—the loss of China, maybe all of Asia as well, to Communist domination. And if Chiang falls, there is no one in sight to take his place."

"Decision is difficult because top officials in the US have lost nearly all confidence in Nationalist China's leader. Official fear in Washington is that the US will commit itself to large-scale aid, based on promises of extensive reform in the way that aid is used, only to find that the promises are not kept; the aid either wasted or ending up as an actual gain to the Communists. Offsetting that fear is the nightmare Washington officials have when they think of the eventual cost to the US if all Asia goes Communist."

Predicting that the odds are slightly on the side of a new and larger aid program for China, the article says future aid is not likely to be patterned on the present program in China but will be directed and controlled by US officials, perhaps by a military mission as in Greece. Hesitation in furnishing such aid, even with US controls, the magazine reports, is caused by the fear that China might turn out to be just a bigger Greece, and that the process of exchanging paper promises of reform for US cash might go on indefinitely.

"In Greece, 25,000 Communist guerrillas require the spending of millions of dollars a year, with little the US can show for it so far," the article points out. "China's 3,000,000 Communists might easily call for the spending of billions. An 'over-all' cost of \$5,000,000,000 for a completed program of aid to China, as estimated by some members of the Truman Cabinet, might turn out to be low."

"But cost is only one uncertainty that impels President Truman and Secretary of State George C. Marshall to move slowly in launching a new program for China. Another uncertainty, just as difficult to mea-

sure, is Generalissimo Chiang Kai-shek....

"Although Chiang still has many strong supporters in Washington, the feeling is growing in some circles that the Nationalist Government is hanging by a thread. Official consideration even has been given to bypassing Chiang and sending help direct to the few generals who are able to carry on a war against the Communists....

"The question now being asked is whether Chiang could do any better with another installment from the US, and, if not, who could do as well or better."

"American officials in China are convinced that propping up the country now is going to take a lot more than guns. China's armies have to be given something to fight for and China's millions hope for a better life to offset Communist guns and promises. If this idea prevails:

"Military aid, in a new program, is to be supervised by a US military mission on the ground in China. American advisers will help to plan strategy and tactics and direct troop movements. In effect, they will run the war against the Communists."

"Economic aid, if expanded, is to be accompanied by American experts who will boss its use. US missions will direct China trade and try to get it going again, will tackle the problems of agriculture, transportation and industry. They will have more to say about how much the Chinese Government spends and how it spends it."

"US loans, in such a program, will be supervised by US financial experts. They will decide how the money is to be spent."

"This is the pattern of the US program in Greece. US aid goes into the war, but it also is used to build up transportation, direct trade, pump up the economy, and try to get Greece on a solid footing generally."

"The same pattern, applied to China, will have to be on a much larger scale. US direction will have to go deeper in Nanking than it does in Athens. Some officials say Chiang is ready to accept aid on these terms, his plight has become so desperate. What the US is being forced to decide now is whether Chiang himself can regain the confidence of the Chinese people and organize a Government effective enough to make such a program pay off in a Communist defeat."

New Republic

Arthur Schlesinger Jr., Professor of History at Harvard University, who was for some months on the staff of the Economic Cooperation Administration in Paris, where he was consultant on informational and

political questions, has written two articles on the progress of the Economic Cooperation Administration's program in Europe which appear in the November 8, 1948 and November 22, 1948 issues of the *New Republic*.

Schlesinger states that in general Europe has taken hope from the program though parts of the continent are still torn by ideological strife, especially France and Italy, where there are political obstacles which hamper recovery. In the contest for power between the US and the USSR, the author believes that, except for a small group of extreme left-wingers, America's stock has risen, while Russia's (particularly because of her criticism of the Marshall plan) has dropped.

Stating that re-armament is now accepted as necessary for the Western federation as a measure of military security, Schlesinger writes:

"The American policy of supporting the free peoples of Europe is inevitably moving into a military dimension. It is doing this for two main reasons—both of which, it should be pointed out, are reasons urged by the Europeans themselves and not by a war-minded American clique trying to rearm the Europeans against their will."

"The first reason is the impact of the Czechoslovak coup and the Berlin deadlock.... The second main reason... is that the American objective of a European federation cannot be achieved without an American decision to underwrite such a federation strategically. Such under-writing means not only the resumption of lend-lease; it means, in addition, full and automatic military guarantees by the United States. A European federation can make military sense only if it is backed, in principles and in fact, by American military might; and unless it makes military sense, it will have small appeal for European governments charged with the problem of protecting their peoples in an epoch of insecurity. Above all, it will have no appeal for Britain....

"Americans have tended altogether too much to regard the invocation of some vague and undefined conception of European union as a political and economic cure-all. Believing, as we do, that a Western Union will confer inestimable political and economic advantages upon Europe, we must recognize that the European nations, and Britain especially, need some reassurance in time of crisis about its military advantages. Only the US can provide that reassurance....

"But even with military support ERP will become a foundation for peace only so long as it dedicates itself to the promotion of democratic society in the West.... ERP can breed peace only if it opposes all forms of totalitarianism and really strikes out for a free society."

What Chinese Papers Say

EDITORIAL comment in Chinese papers last week centered on President Chiang Kai-shek's peace gesture. Some papers took the occasion of the end of 1948 to review the outstanding events of the year.

Peace Talk

THE independent *Ta Kung Pao* expressed the opinion that, although President Chiang Kai-shek's New Year message holds out a renewed hope for peaceful settlement of China's Civil War, there is still a long road to go over before actual peace can be achieved.

"A little hard thinking will show that peace cannot be brought about overnight," the paper wrote. "Fighting has been in progress for three years. Peace cannot be had for the asking."

In order to finally achieve peace, the paper said, the following three points are of tremendous importance:

"First, sincerity and frankness are called for. Since peace is the overwhelming wish of the Chinese people throughout the country, both the Kuomintang and the Chinese Communists must keep cool heads, and get rid of emotions. . . .

"Second, if we want peace at all, we must take positive steps. During the past few days, we have read a lot of telegrams appealing for peace. This is indicative of the general burning desire of the people for peace. But it must be understood mere telegrams and slogans will not suffice. It is of course good that the people make known their will. But much more still remains to be done by the people." General George C. Marshall once said in Nanking that it was utterly impossible to carry on Civil War in a country where the people were strong, because the people had the means of preventing any internal strife. Now the people have been given a chance of speaking their mind and we must not give up our duty in this respect.

"Third, we must have faith and must not lose hope. . . . Peace is not quite so simple as it seems on the surface. As things stand today, some kind of negotiation and patience is required. To put it more bluntly, so far there have been only appeals for peace and a popular sentiment for peace, without no concrete measures for peace. Therefore it is too early to expect peace. Nor is pessimism or despair warranted at the present time."

The *Shun Pao* suggested that mediation by the United Nations be sought if the Kuomintang and the Chinese Communists cannot come to terms.

"The Government and the Communists should be asked to send representatives to a very suitable place, say Shanghai, to negotiate in the presence of people's representatives and foreign friends," the paper said. "All points upon which no agreement

can be reached by negotiation should be submitted to the people's representatives for arbitration. . . . Or the dispute may be referred to the United Nations for arbitration."

The *Chin Hsin Jih Pao* described initial Communist reaction to the government's peace gesture as "disappointing" and warned the Communists that military victories cannot be relied upon for bringing about a solution for the China problem.

The paper editorialized: "So far, the Communists have not yet formally stated their attitude. If we base our judgment on the Communist broadcast as quoted by the *United Press*, then it must be said that their reaction is bitterly disappointing. The Communists charged that Chinese reactionaries and American aggressors are cooperating in making a peace plot and stressed that they can not abandon the Chinese revolution in mid-stream. If the Communists dismiss the present peace movement as a plot and will not give up their revolution how can we expect the Communists to accept the peace proposals?"

"Peace does not mean surrender. If either the Government and the Chinese Communist Party intends to impose surrender terms on its adversary, such a move would be to reject peace and be bent upon seizing power with force. Under present conditions, military operations and regional fighting cannot hope to determine the final outcome of the war. The key to final success or failure lies in popular sentiment.

"Popular sentiment is overwhelmingly in favor of peace. Therefore, whoever wants to prolong the fighting and increase the suffering of the people is public enemy number one. The Communists talk about revolution. But revolution of any kind cannot betray the people. Nor can any reform the Government intends to carry out betray the people.

"It is to be hoped that the Chinese Communists will seize upon the present opportunity to effect peace instead of insisting on having their way all along the line."

1948 In Retrospect

THE official Kuomintang organ, *Chung Yang Jih Pao*, took the occasion of the end of the year 1948 to make a brief review of important events that happened during the year.

"Let us look first at the world situation," the paper said. "During the year under consideration, no substantial contribution has been made toward consolidating world peace. The tension between East and West has mounted instead of eased.

"In the Far East, conclusion of a peace treaty with Japan still remains unsettled. But the United States policy of building up Japan is being carried out with greater vigor. The formation of a government in South

Korea and the setting up of a Red regime in North Korea have laid a time-bomb of civil war in that country and explosion of the bomb depends entirely on the future attitudes of the United States and Soviet Russia.

"The fighting in Palestine and Indonesia is most likely to create more trouble in the future and all these incidents have brought to public attention the weaknesses and helplessness of the United Nations. Generally speaking, the whole world has been enveloped in the cold war between East and West. . . .

"Turning back to the domestic situation in China, we find things much more disappointing. We will not discuss the absence of any successful reform in the political and economic fields. So far as the war of suppressing rebellions is concerned, the steady deterioration in the military situations during the year under review has dealt us a staggering blow. Following the loss of Tsinan, more and more important cities including Changchun, Mukden, and even the whole of Manchuria fell into Communist hands. As a result, the whole situation underwent a disastrous change, thereby causing nation-wide anxiety and speculation. The Communists, following on their series of military victories, launched an offensive against Hsuehchow and Pengpu in the hopes of getting to the Yangtze and threatening the very gates of the capital. . . ."

The *Ta Kung Pao* stressed that the Chinese people suffered terribly from the Civil War and from the economic crisis in 1948, saying:

"Looking back at the events of the year we find that the people of this country, especially people in North China, were groaning under untold suffering. It was the worst year since the founding of the Chinese Republic. . . . The life of the people has been difficult all along. When Gold Yuan notes were first issued, private possession of gold and foreign exchange was banned. Many law-abiding people surrendered what little gold and foreign exchange holdings they had to the Central Bank. Introduction of price ceilings resulted in a nation-wide buying spree and panic. To save the desperate situation, the Government executed a dramatic volte face and the Central Bank started selling gold and silver to the people. . . . When the people sold their gold to the government they got only GY200 per ounce, but when they bought from the government they had to pay GY2,000 per ounce. . . .

"Generally speaking, the sufferings of the Chinese people reached the maximum in 1948. We sincerely hope the government will take positive measures to alleviate the suffering of the people. . . . Looking forward, we can only hope that better days will come as soon as possible."

What US Papers Say

ALTHOUGH US press coverage on China was not as great as in weeks gone by, there still was a good deal of editorial space devoted to the situation in this country. The Communist "war criminal" list and American policy in the "period of change" were topics under discussion. Continued editorial comment was made by American newspapers on the Indonesian situation.

"War Criminals"

THE *Washington Star*, in an editorial titled "China's War Criminals," said: "In their radio broadcast branding a long list of Nationalist leaders as 'war criminals,' the Chinese Communists have indicated that they have little interest in negotiating a peace with the Government of Generalissimo Chiang Kai-shek. Instead, as if taking final victory for granted, they seem to have embraced a line ruling out compromise and setting themselves up as avengers pledged to impose a 'just penalty' (presumably death) on virtually all the key military and political figures associated with Chiang."

"It is possible that the Communists have evidence to support their charges of 'heinous crimes' against some of the individuals on their black list. But the list itself is so sweeping that it has all the earmarks of being about as honest and just as the ones similarly compiled—and acted upon with truth-butchered ruthlessness—against the anti-Red opposition in places like Soviet-dominated Bulgaria and Rumania. The fact that both Generalissimo and Madame Chiang head the roster of the condemned, which includes such other outstanding personalities as Ambassador Wellington Koo, speaks pretty much for itself. To say that Chinese of this stamp are 'war criminals' is to mock history and insult the intelligence of decent-minded people everywhere."

"In the dictionary of the totalitarians, of course, 'war criminal' means anybody who takes a lead in opposing the dominance-seeking efforts of the Soviet Union. The puppet regimes behind the iron curtain of Europe have used the phrase with dreary repetitiveness in their propaganda preludes to viciously farcical 'trials' designed to liquidate honest, democratic political opponents—for example Petkov in Bulgaria and Maniu in Rumania. The broadcast by the Chinese Communists merely follows a pattern that has long since grown dismally familiar in every country falling under the far-reaching shadow of the Stalin dictatorship."

"And it remains to be seen whether the Reds in China will win a military victory complete enough to carry out their threat."

"At the moment there seems to be little standing in their way, but since

they show no interest in the idea of a negotiated peace and since they have declared their intention to liquidate the most highly-placed Nationalist leaders, the latter may be spurred into organizing stiffer and more effective resistance against decisive new Communist advances. In case the worst happens, of course, 'war criminals' like the Chiangs need have no doubt that they will be offered an asylum with honors in America. After all, as the historical record proves, they are 'criminals' only because they are on the side of the free, non-Soviet world."

Reviewing the current US China policy, *The Christian Science Monitor* maintained: "The traditional 'Open Door' policy in China seems to have given way to what might be called an 'open mind' policy. The US has chosen a course of watchful waiting as an alternative to impossible military involvement designed to save a regime which has lost the support of the Chinese people. Manifestly, Washington is anything but indifferent. In a situation so fluid and amorphous as is likely to prevail in China for a long time to come, the friendship of the Chinese people is of first importance. Nothing should be done prematurely to put the US in a position of being their 'enemy.' Where anti-Communist aid can be actually effective, the Americans must give to the limit of their ability. But they will wait with open mind the decision of the Chinese people."

The Kansas City Star approved suspension of ECA funds for reconstruction projects in China, saying: "Should Chiang's forces be completely smashed, then Congress will have to look beyond China for opportunities of shoring up the rest of Asia against Communism, at the time using whatever means are available to that end in China itself. Our own limited resources, we may assume, are being presently conserved with that prospect in mind."

The Philadelphia Inquirer also approved the suspension of ECA funds but it contended: "The need for a clear guide to future American actions become more pressing every day, as rumors increase about possible peace overtures from the Nationalists to the onrushing Communists. The position of the State Department that our policy toward China is 'unchanged' is a fiction that cannot be maintained much longer. It will have to be changed, and soon, in the light of the Communist advance."

Undermining The UN

MOST American papers continued to be highly critical of the Dutch action in Indonesia which they felt was undermining international efforts, through the United Nations, to settle the dispute by peaceful means.

The *New York Times*, in an editorial entitled "Indonesia and the UN," said in part: "On Christmas Eve, the Security Council addressed to the Netherlands Government a resolution on the Indonesian situation which was so mild it might almost be called a Christmas present. It called upon the Indonesians, who have been attacked, as well as upon the Dutch, who are the attackers, to 'cease hostilities forthwith.' It called upon the Dutch 'immediately to release the president and other political prisoners arrested since December 18.' The resolution would have been stronger if it had not been for one reason. The United States, Britain, China, Colombia, and Syria supported a provision demanding that the Dutch return to the lines they held before the attack of December 18. Other governments withheld support because they feared the Dutch would not obey and that the prestige of the Security Council would thereby suffer."

"Obviously the prestige of the Council has already suffered . . . The Dutch move into Republican territory was tactically well thought out, resulting in initial victories with what appears to have been little loss of life. In every other way it was the height of folly, quite apart from the shocking moral aspects. The Dutch in Indonesia feared Communism."

"They have now given Communism a rich source of propaganda, for Moscow will say that this aggression is typical of the Western democracies. The Dutch, at home and in Indonesia, wanted American approval. They wanted American aid. They have friends here who have long admired their sturdy independence and their stubborn resistance to Nazi tyranny. Their wrong and hasty action has already cost them a part of American aid which was scheduled to go to Indonesia, it has weakened American confidence in the democratic instincts of the Dutch in the home country."

"We cannot believe that a majority of the Dutch people would support the present Indonesian policy if they knew all the facts involved. We believe they would want justice done and liberty extended to all peoples."

The Washington Post: "The Australian outburst (in the Security Council last week), for all its extremism, reflects a widespread feeling that the Dutch of all peoples, have poisoned the wells of East-West understanding and dealt a blow below the belt to the United Nations."

The Philadelphia Inquirer: "By defying the cease-fire order issued by the United Nations Security Council, the Dutch . . . have furnished further convincing evidence of the need for a UN capable of enforcing its efforts to safeguard world peace."

NEW BOOKS OF INTEREST

American Tradition

THE SHAPING OF THE AMERICAN TRADITION. By Louis M. Hacker. New York: Columbia University Press, 1946, 2 vols., pp. xxiv + 1247. Price: US\$10.00. Reviewed by Joshua W. K. Liao.

TO show how American ideas and institutions have been developed is the avowed intention of the author in this voluminous work. In each of the eleven parts into which American history is conveniently divided are found both text and contemporary documents, the former serving as a series of introductions to the latter.

An outgrowth from the Contemporary Civilization course at Columbia College, the book amounts to a philosophical analysis of American culture and history. "The American, as a type, became an individualist, a democrat, an equalitarian, and a utilitarian." Why and how? The frontier theory being regarded as only a partial explanation, the author has enumerated the other main contributory factors that have shaped the traditional American way of life and thought as follows: (1) Religious Freedom, (2) Freedom of Enterprise, (3) The Weakness of State Powers, (4) The Equality of Opportunity, (5) The Strength of the Middle Class, (6) Democratic Institutions — e.g., government of laws, separation of powers, and division of functions between the central government and the states, and (7) Presence of Parties and Pressure Groups.

By these cornerstones has American mentality been made realistic and practical: Life is not a dream, nor is the world an illusion. So is economic determinism driven to the background as an insignificantly one-sided interpretation of human history. The will to independence, for instance, is, according to the author, "a complex of forces in which are combined economic, psychological, political, and philosophical influences."

Beginning with his specific stress on the influence of John Locke and Jonathan Edwards on the American tradition and closing the book with Roosevelt's New Deal which he calls "The Third American Revolution"—a revolution without bloodshed—as superbly contrasted with the War of Independence and the Civil War, the author astutely parades selections from the writings of the "Makers of America." He is right when considering the typically American—William James, exponent of pragmatism, a system of indigenous American thought—paying only lip-service to Josiah Royce who developed Hegelian idealism on American soil, and making no mention of George Santayana, a Spaniard naturalized in the United States, who, despite his remarkably scholastic attainments, has been for decades thinking and writ-

ing in Europe and influential only in narrow academic circles.

Throughout the parade, the book from place to place seems to lose its balance somehow or other. In the beginning, it abounds with selections from Jefferson and Hamilton, but most regrettably missing is Washington's "Farewell Speech" that formed a component of the American spirit no less than the "Memoirs of John Quincy Adams" and "The New Freedom" of Woodrow Wilson.

That literature and art are not treated as contributory factors by the author puzzles the present reviewer more than anything else. By them has the American tradition been shaped, like any other civilization. Though Charles Dickens' "American Notes for General Circulation" is found to describe the current American scene, and though Thoreau's doctrine of "civil disobedience" and Whitman's "Democratic Vistas" are selected, both Thoreau and Whitman are treated as thinkers rather than as literary men. Indisputably chiefly through literary channels have these two writers shaped the American tradition. Body and soul, the American tradition has owed the poems of Longfellow, the songs of Foster, and the novels of Cooper as much as, if not more than, the works of Thoreau and Whitman. Sinclair Lewis in literature is as influential as John Dewey in philosophy. Still not an iota of credit is given to these literary and artistic geniuses.

Come what may, the book as a pioneering work in the line deserves unchallengeable commendation. It is suggestive at least in so far as any future work on the same subject might be expected to attain higher levels of comprehensiveness and penetration.

Labor Camps

FORCED LABOR IN SOVIET RUSSIA. By David J. Dallin & Boris I. Nicolaevsky. New Haven, Yale University Press, 1947. 331 pages, maps, index. U.S. \$3.75. Reviewed by F.M.R.

THE authors of this book, well known Russian social-democratic emigrés, who left Russia soon after the Revolution, have brought together diverse materials available in English in such books as *Red Goals*, *Tchernavin*, *I Speak for the Silent Prisoners of the Soviets*, *The Dark Side of the Moon* (reviewed in this publication); in French, books such as *Mora* and *Zwierniak*, *La Justice Soviétique*; and other material in German, in Russian emigré publications and in Soviet literature on criminal law and corrective labor camps. The book seems to do for the whole problem of forced labor what George Kennan's classic did for the Tsarist exile

system. There is a detailed bibliography with a critical estimate of the literature on the subject.

The larger part of the book is taken up with specific detail, the extent and significance of this group of people. The authors view forced labor as a system of slavery dictated by the ideology of the state and by the demands of the Five Year Plans. There is much information on the forced repatriation of Russians after the war. The section which deals with the mining of gold in the Kolyma area, north of Vladivostok, is the best documented and most complete. But camps in different parts of the Union also are described.

Estimates vary greatly as to the number of forced labor camps and the numbers of people involved. But whatever the numbers, it is evident that no study of social or economic conditions in the Soviet Union is complete without consideration of this group of workers.

Diplomats

AMERICAN FOREIGN SERVICE. By J. Rives Childs, with a foreword by Joseph C. Grew. New York, Henry Holt, 1948. 261 pages. U.S. \$4.00. Reviewed by F. M. Roberts.

MR. Childs does not here give a personal account of his experiences in the American foreign service, although he has had a distinguished career in Jerusalem, Bucharest, Cairo, Tehran and Saudi Arabia. His book is a study of the American foreign service—its history, its present status, and its relation to other US Government services.

The passage of the Foreign Service Act of 1946 by the United States Congress was a recognition of the need for an improved and expanded foreign service. Hence the need of a new book to replace that of Tracy Hollingsworth Lay which has been the definitive work on the subject for over twenty years. The new act is given in full.

There is a shrewd chapter on the profession and practice of diplomacy. "The art of diplomacy," says Mr. Childs, "consists of making the policy of one's government understood and if possible accepted by other governments." No other profession has so few written rules for its pursuit, and none perhaps, the author suggests, requires more sympathy and common sense.

From among 303 American embassies, legations and consulates, the American Embassy at Paris has been selected for illustration. There are chapters on the ambassador, the work of the embassy, its consular and economic sections, and that new area of diplomacy, the information and cultural relations section. This last named section has as its object the interpretation of American culture and the better understanding of the peoples among whom the embassy is working.

A. P. Pattison & Co.

FEDERAL INCORPORATED U.S.A.

SHANGHAI

China
Japan



Hongkong
Korea

MERCHANTS & STEAMSHIP AGENTS

BRANCH OFFICES:

9 Chung Shan Road E 2
(Quai De France)
SHANGHAI

Chartered Bank Building
Queen's Road
HONGKONG

Tokyo Hotel Building
P. O. Box 482
TOKYO

3 Nichome Nakaka-Ko
P. O. Box 103
YOKOHAMA

Toho Navigation Bldg.
KOBE

97 3rd Kah Namdaimoon-Ro
P. O. BOX 83
SEOUL

3 Chien Chang St.
P. O. BOX 36
TAIPEH

15 Kong Tong St.
P. O. BOX 62
KEELUNG

Cable Address: "PATTISON" at all Ports

General Agents for Far East for:

ISBRANDTSEN LINES OF NEW YORK

Regular Express Steamer And First Class Passenger Service To The U.S. And Europe

